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# Guns Ready, U.S. Troops Prepare to Quit Somalia

# Looking Back Over a Yearlong Mission, Soldiers Say It Was, and Remains, a War

By Rick Atkinson

Washington Pour Service

MOGADISHU, Somalia — A year after wading ashore for what was supposed to be a-quick mission of mercy in Somalia, the United States military is putting the final touches on plans for a gams-cocked withdrawal from an urban guerrilla war, according to senior Ameri-

With the first units expected to leave in about two weeks, the blueprint for pulling out of Mogadishu suggests that Somalia remains a tinderbox despite a recent lull after months of

Four AC-130 gunships, a Marine Expedi-tionary Unit, an aircraft carrier and an armored task force with 30 tanks will stand guard as more than 8,000 U.S. troops gradually pull back into enclaves around the port and the sirfield, officials said, with the last force sirfield, officials said, with the last force scheduled to leave the country before President Bill Clinton's deadline of March 31:

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"We're not going to mess around if we're attacked," Major General Thomas Montgomery, commander of U.S. forces here, said in an interview. There are plenty of people in the United States who still don't know that this was

Although officers routinely invoke the image of the inglorious American departure from Saigon in 1975—"Firing a rifle with one hand and chutching a helicopter skid with the other," as one colonel put it — the withdrawal plan calls for most troops to fly out on 20 chartered Boeing 747s or Air Force transport planes.

Equipment not left behind for the United Nations operation in Somalia will be hauled away on 6 to 10 cargo ships, according to Lieutenant Colonel Chris Harvey, who is super-

As they prepare to pack up; many of those posted here are also sifting through the experience of the last year in a search for lessons about urban combat, multinational military oppositions and the LL state of the search of th erations and the U.S. role in future peacemak-

ing expeditions.
"In a lot of ways, this is a grand experiment," said Lieutenant Colone, William C. David. commander of an infantry battalion in the 10th Mountain Division. "Strategically, I think it's really in American interests to make this succeed in order to shift the burden for being the world's policemen from the United States to the UN collectively.

Interviews with several dozen officers and soldiers in the last two weeks indicate a clear consensus on at least two points: U.S. forces consensus on at least two points. O.s. follows should not be placed under the command of a foreign officer in the foresceable future, and the United Nations has a long way to go before it can effectively shoulder that burden of global

"After seeing what I've seen here, I would never want to see American forces under foreign command, ever, under any circumstances," said one high-ranking American officer assigned to the UN operation.

Within the UN command structure, Lieutenant General Cevik Bir of Turkey commands the

28,000 UN troops in Somalia, but his deputy, General Montgomery, exercises direct control

The Clinton administration laid out a framework last summer for placing U.S. troops under UN command in future operations, but the experience in Somalia brought that initiative to an abrupt halt. An American colonel here predicted that the idea would be revived "as soon as it snows in Mogadishu."

At first glance, the sprawling UN compound seems to embody the camp of a grand international army. Turkish soldiers swap cigarettes with Nepalese; Egyptians and Norwegians chat beneath a thorn tree with troops from Pakistan and Nigeria; Americans work elbow-to-elbow with Indians and New Zealanders.

For many American soldiers, however, familiarity has bred wariness and, occasionally, con-tempt. Differences in language, culture, doc-trine, equipment and training have become evident. The excruciating difficulty in getting Malaysian soldiers to turn right instead of left during one October firefight has come to symbolize the obstacles to a genuine integration of

Except for long-standing alliances like NATO or ad hoc coalitions in which allied forces have responsibility for distinct geographical sectors—as in the Gulf War—an international army is widely viewed as unwieldy and unworkable. Further complicating the Somalia operation has been a reluctance by participating governments to cede tactical or strategic control over their forces.

"Montgomery didn't have control of his own troops," an American official said. "Everything See SOMALIA, Page 2



Michael Peters, left, and Lars Christiansen in the German court on Wednesday. Mr. Peters got a life term; Mr. Christiansen, 10 years.

# Angry Voices Weigh In at GATT Talks

By Keith Bradsher New York Times Service

GENEVA — Asian and Latin American nations reacted furiously Wednesday to trade compromises reached Tuesday between the United States and the European Community but appeared unlikely to bold up the global trade talks going on bere.

Envoys from the regions contended that the leal would unfairly punish developing coun-

But American and European officials argued that the compromise should be used as a model. and said they were confident that the protests would not block completion of the 116-nation talks under the General Agreement on Tariffs and Trade by a Dec. 15 deadline.

American trade experts were blunt. "The big markets dictate the trading rules," said a former senior U.S. trade official, "The U.S. can't do it independently and the EC can't do independently, but when the two lock arms, they can determine the fate of the round."

On Tuesday, negotiators reached agreement on many of the most contentious trade, although disagreements involving movies and

civil aircraft remain. The U.S. trade representa-tive, Mickey Kantor, said he expected to settle those mostly bilateral issues quickly. But French officials are strongly attached to their limits on the showing of American movies and television programs there and have so far refuse

to budge.

Ambassadors from other parts of the world expressed considerable indignation that the deal was too tailored to help businesses and farmers in the U.S. and Europe.

For instance, the United States won Europe-

See GATT, Page 4

# Killing Turks German Verdicts Signal Courts' Harder Stance Against the Far Right By Stephen Kinzer two girls. The two firebombings, in the western town of

New York Times Service BERLIN - A German court handed down heavy sentences Wednesday against two neo-Nazis who last year hurled (irebombs a) houses where Turks lived, killing a grandmother and

2 Neo-Nazis

Given Tough

**Sentences for** 

Mölln, provoked national outrage and were quickly followed by a police crackdown on neo-Nazis and a series of candlelight protests against racism in which hundreds of thousands of Germans took part.

One of the defendants, Michael Peters, 26. was senienced to life imprisonment on arson, attempted murder and murder charges. Lars Christiansen, 20, a juvenile offender under German law, was given the maximum 10-year sen-

"They accepted that people could die, and each was in agreement with the actions of the other," asserted Hermann Ehrlich, chief judge of the five-judge court, as he pronounced the sentences in a courtroom in Schleswig, 110 kilometers (70 miles) north of Mölln.

Neither of the youths showed emotion at the verdicts. Defense lawyers said they would ap-

The verdicts were taken as a sign that the German justice system, criticized in the past for being too tolerant of crimes committed by farrightists, is now able to deal with them decisive-

"At the beginning of this wave of violence, sentences were milder, and there were pro-tests," said Cornelia Schmalz-Jacobsen, a member of parliament who is the chief advisor to Chancellor Helmut Kohl on matters relating to foreigners, "But in recent cases, German courts have been living up to their responsibilities." Relatives of the Turkish victims said they

were pleased with the verdicts. "The hatted I carried within me is now gone," said one of them, Farouk Arslan. We want to live in peace with you Germans, not in

A lawyer for the relatives. Hans-Christian Strobele, described the verdict as "the most meaningful one that has been handed down by a German court against right-wing radicals."
"It shows that Turks in Germany can get fair treatment from German courts." Mr. Ströbele

As the sentences were banded down, Germany's domestic security agency announced new figures suggesting that the number of rightist attacks is dropping. It reported 1,699 incidents in the first 11 months of this year, down from 2.366 in the same period in 1992. A spokesman attributed the drop to "faster police reaction, tougher sentences by courts and bans slapped on neo-Nazi groups."

Both of the men who were convicted ednesday were arrested days after the Nov. 1992, firebombing, and soon confessed their roles. But both later withdrew their confessions. Mr. Christiansen a few days after making it and Mr. Peters at the beginning of the trial. They said they had been coerced by the police.

Judge Ehrlich, however, said he believed the confessions. Circumstantial evidence weighed against the two defendants, as did the testimony of an 8-year-old girl who said she saw the

According to prosecutors, the defendants decided to launch the firebomb attacks as a way of showing their contempt for foreigners, whom Mr. Peters said he considered "second-class

See NEO-NAZIS, Page 4

# Racial Motive Seen in N.Y. Rail Killings Black Man Who Shot Commuters Hates Whites, Police Say

Compiled by Our Staff From Dispatches
GARDEN CTTY, New York —A gunman accused of methodically killing four passen-gers and wounding 19 others on a rush-hour commuter train in suburban New York acted out of racial animus, the authorities said

Wednesday. A Long Island police official, Donald Kane, said the suspect, Colin Ferguson, 35, who is black, was carrying notes expressing batred for whites. Asians and "Uncle Tom Negroes." All of the victims aboard the train were white or Asian.

"The paperwork reveals a strong hostility being harbored by him in terms of racism," Mr. Kane said.

Mr. Kane said Mr. Ferguson, who lived in the New York City borough of Brooklyn and was born in Kingston, Jamaica, "has hostilthe New York City borough of Brooklyn and was born in Kingston, Jamaica, "has hostilities against a major portion of the population and a variety of institutions." The police weapon, which held 16 bullets, at least once.

By Kathy Sawyer
Washington Peer Service

HOUSTON — After sailing through four days of delicate eye and brain surgery on the Hubble Space Telescope, the crew of the space

shuttle Endeavour was ready late Wednesday to complete the mission's fifth and final repair

outing and spread the Hubble's shiny new 40-

Early Wednesday, the astronauts Kathryn C. Thornton and Thomas D. Akers had installed

the second half of the corrective optics designed

to reverse the effects of the built-in defect,

foot solar wings.

With New Eyes, Hubble

said Mr. Ferguson, who is unemployed and single, had no police record.

He was carrying a bag with an additional 100 rounds. Mr. Kane said.

At a brief court appearance in Hempstead, Long Island, on Wednesday, Mr. Ferguson stood with his head bowed and said nothing. He was ordered held without bail under protective custody.

During the shooting Tuesday evening, the gunman, using a semiantomatic 9mm pistol, walked down the aisle of the packed Long Island Rail Road commuter train calmly firing shots at passengers, pansing only to re-load, witnesses said.

Three men tackled the assailant as he tried to reload when the train, which had left New York City at 5:33 P.M., came to a stop in the suburban Long Island town of Garden City.

Authorities said the assailant boarded the train in the borough of Queens and waited to begin his attack until it had left New York City and entered Nassau County.

Mr. Kane, Nassau County's police com-missioner, said Mr. Ferguson had tool inves-tigators that "New York City was spared because of my respect" for Mayor David Dinkins, Mr. Dinkins is New York's first

Some 80 to 90 passengers were in the carthird from the front — as the train ap-proached the Garden City station. 18 miles (30 kilometers) from the city.

Passengers said the gunman had spilled bullets into his lap and calmly loaded his gun. Then the gunman opened fire, they said.
"After the second look, I ducked down in

See TRAIN, Page 4

# Delors Defends His Prescription For Europe's Employment Ills

By Tom Buerkle

BRUSSELS - Jacques Delors staged a combative defense of his plan for curing Europe's unemployment crisis on Wednesday, making it clear that be will take a lighting stance into what looks like his last European summit meeting as a real power broker.

Unveiling his white paper on growth, com-petitiveness and employment, which will be the main topic when European Community leaders gather here on Friday and Saturday, Mr. Delors said that be would push the leaders to endorse the goal of creating 15 million jobs by the end of the decade as well as a big new public-works borrowing program to help achieve that aim.

Along with those ambitious goals, the plan calls for wage moderation, cuts in payroll taxes and greater deregulation of the labor market to give employers more freedom to hire and fire. But Mr. Delors ruled out drastic cuts in wages or the welfare state, saying Europe needed at

least a "minimal" level of social protection to maintain social peace.

The package, whose elements have been spelled out clearly over recent months, is not a prescription for a new Europe-wide economic and social policy but varied "paths of a solutinn." Mr. Delors said. Therein lies the dilemma faced both by Mr. Delors, the head of the EC Commission, and

EC leaders. The roots of Europe's crisis are as varied as the 12 national economies. It defies any single, easy solution, and has left Mr. Delors open to widespread criticism.

Britain, backed by many EC business groups, has criticized Mr. Delors for irrelevancy in not going far enough toward its free-market approach: unions argue just the reverse and say Mr. Delors has sold out his socialist origins; and Germany has dismissed the borrowing plan as unaffordably profligate.

But Mr. Delors said, "I'm fed up with playing the scapegoat." The responsibility for tackling See DELORS, Page 19

#### Kiosk

# NATO Will Open Eventually to East

BRUSSELS (Reuters) — North Atlantic Treaty defense ministers agreed Wednesday that East European nations will be able to join the alliance at some point and that Russia, which opposes such a move, would not be able to veto eastward expansion of the alli-

The United States, Germany and other allies made clear at the meeting that, while it was vital to have cooperation with Russia, countries such as Poland, Hungary and the Czech Republic that want to join should not be discouraged.

"NATO expansion is not a question of whether, but of who and when." Defense Minister Volker Rühe of Germany told re-porters, adding that the United States and others took the same line. "We need to reach out to the East and prepare for an expansion of our membership." the U.S. defense secretary, Les Aspin, said at the meeting, which

Dow Jone	25	Trib Index
Up 15.65 3.734.53	77	Down 0.68%
The Dollar	Wed glose	previous close
UM	1.709	1.7033
Pound	1,4947	1 493
Yen	108.90	107.48
FF	5.8525	5.861

Margaret Thatcher denied knowing of a 1988 policy shift on exports to Iraq. Page 4. Business/Finance

Xerox plans to cut 10,000 jobs, or 10 percent of its staff.

Book Review

# U.S. Mail Goes the Celebrity Route to Counter Red Ink

WASHINGTON — Is there life after Elvis? Or as Postmaster General Marvin T. Runyon Jr. would probably phrase it: Is there money after Elvis?

The U.S. Postal Service, which made more money off this year's Elvis Presley stamp than any issue in its history; has revealed its stamp plans for next year. There are no more rockand-rollers, but there are entertainers galore on the 102 planned stamps, enough, perhaps, to come close to the 536 million profit that the postal services ays it made off its 29-cent tribute

Next year postal workers will be turning to

the singers Bing Crosby, Nat King Cole, Ethel Merman and Muddy Waters to turn back the agency's sea of red ink. There will be stamps for eight blues and jazz singers. Charlie Chaplin, the Keystone Kops and eight others from silent movies and even those stars of the Wild West shows, Buffalo Bill and Annie Oakley.

For an agency that used to revel in releasing stamps for little-known historic figures and events, 1993 may have been a watershed.

line," said Mary Ann Owens, a member of the panel that recommends designs. The 1994 subjects were cuiled from an estimated 30,000 petitions for new stamps.

Mr. Runyon seemed delighted, describing

the new stamps as "a celebration of American history."

Eleanor Holmes Norton, the delegate to Congress from Washington, D.C., who bas been among Mr. Runyon's sharpest critics on Capitol Hill, praised the postmaster geoeral for bonoring 15 blacks with stamps next year, more than in any year. "We've come to a point where you are a nobody until you are a somebody on a

stamp," she said. In addition to the blues musician Muddy Waters, other blacks include Bessie Smith, Billie Holiday, Mildred Bailey, Jimmy Rushing, Robert Johnson, Ma Rainey and Howlin' Wolf. In September, Crosby, Cole and Merman join Al Joison and Ethel Waters in a set of

stamps dedicated to popular singers. Wher Presley was selected for the first stamp in a series dedicated to the "Legends of American Music" two years ago, fans of Crosby and Cokinundated postal officials with demands for more stamps. Al Hirschfeld, the illustrator who created 2

1991 series on comedians, will return with 1( stamps dedicated to silen movie stars. In addition to Chaplin and the Keystone Kops, the stamps feature Rudolph Valentino, Clara Bow ZaSu Pitts, Lon Chaney, Theda Bara, John Gilbert and Buster Keaton.

There will be little great art. Most of the issues will feature the colorful pop art than postal executives say their customers want.

RRAY OF CONE	known as spherical aberration, in the tele- scope's 94-inch (238-centimeter) primary mir- ror. Telescope controllers at Goddard Space Flight Center later reported that its electrical connections had passed their "aliveness" test.
DOLLE WING	In the final task of their Wednesday olding,

order to operate on it. They installed a \$4.2 million coprocessor, smaller than a breadbox, designed to increase the memory and capacity of the digital onboard computer that stores commands, formats data calculations and telemetry, orients the solar wings toward the sun, monitors the electric

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Now Waits for New Wings

Asked why the crew's work had gone so smoothly, officials credited the Hubble's extra vehicular activity-friendly design, the exhaus-tive crew training, the precision-built replace-ment equipment and, as the Endeavour com-mander Richard Covey said, "We've been incredibly lucky."

In addition, Endeavour, the newest orbiter in the fleet, has been remarkably free of problems with the toilet and other housekeeping systems. During the Wednesday onting, Mr. Akers surpassed the U.S. record for elapsed spacewalk time, set more than two decades ago by Eugene Cernan during several missions that included exploration of the lunar surface, NASA said.

Thursday's spacewalk would place Jeffrey A. Hoffman and F. Story Musgrave in the top five of that elite group.

Before dawn Friday, if all goes well, the Endeavour crew will nudge the refurbished \$2.1 billion orbital observatory out of its servicing nest and back into space, to show what it can do with what Mr. Hoffman, an astronaut-astronomer, called "a new set of eyeballs."

The final work shift in the Endeavour garage was to include some of the least spacesuitfriendly work of the flight: replacement of eight connectors on the Solar Array Drive Electronics (SADE) units that send positioning commands to the wings, enabling them to remain pointed at the sun. The solar arrays, designed to provide the

have been kept rolled up out of the way since astronauts installed a new set on Monday morning, and the telescope has been kooked up to the shuttle's power supply. After they are imfurled like window shades, they will have about 24 bours to recharge the Hubble's batter-

Hubble with 5 kilowatts of electrical power,

See SPACE, Page 4



# congressional liaison office, after signing the NAFTA accord Wednesday. Mr. Paster and another White House aide, Roy Neel, are resigning to become lobbyists. Page 3.

By Bill McAllister Washington Post Service

"Once Elvis was out, everything else falls in

# Needed for Northern Ireland: A 'Phraseology' for Everybody

By James F. Clarity

New York Times Survee

DUBLIN — While hopes for the new Northern Ireland peace initiative persist, the governments of Ireland and Britain remain deeply divided over whether there can ever be a united Ireland free of Britisb rule, the ultimate goal of the Irish Republican Army, but the ultimate abomination to the leaders of Northern Ireland's Protestant majority.

In their meeting last week, the two prime ministers, John Major of Britain and Albert Reynolds of Ireland, sought to work out a statement of principles that would lead first to a prolonged cessation of violence in the British province and then to a place at a peace talks table for Sinn Fein, the political arm of the predominantly Roman Catholic IRA.

After a beated discussion in Dublin over the wording of such a statement, the prime ministers, who will discuss it again

> By Fred Hiall Bachinghin Post Service

CHEKHOV, Russia - Anatoli

Shabad, a leading pro-reform poli-

Mr. Shabad meet with his workers.

The head - and only employee of the local radio station here told

him be did not have a prayer in this

And everywhere he went, people blamed "the democrats" for all their many hardships, often adding

to the insult by praising the ultra-nationalist leader Vladimir Zhirin-

For Mr. Sbabad, 54, a courtly

but exuberant physicist who en-tered politics alongside the Soviet

buman rights activist Andrei D. Sa-

kharov, the day on the stump was

one more reminder of bard times

"The romantic period has ended," Mr. Shabad said, "There's a

His party, the Russia's Choice

bloc led by the reform economist

Yegor T. Gaidar, is widely considered the favorite in the parliamen-tary elections to be held Sunday.

But in this district south of Mos-

cow, as in many around the coun-

try, the party seems to be reaping

all the disadvantages of incumben-

lot less enthusiasm out here."

tician, was having a bad day. A factory director refused to let

month's election.

For One Reformer,

All Blame, No Gain

Russian Faces Doubting Voters

this weekend in Brussels, must square the circle, producing words that are acceptable to both the IRA and the Protestant

And what they produce must give Gerry Adams, the president of Sinn Fein, an indication of new British flexibility that

#### **NEWS ANALYSIS**

be can take to the IRA as a political victory, a rationale for laying down its arms with honor and talking.

But the formula cannot appear to be an appeasement to the IRA, which would enrage many people, south and north, particularly the leaders of the Protestant majority in the province.

The basic difference is that Mr. Reynolds wants the formula to state that Irish self-determination will be decided in two separate referendums in the North and in his Irish Republic.

He has insisted that if the Protestant majority in the north vetoed union, the Republic would accept the decision.

But the Protestants, most of whom see emselves as British, not Irish, oppose the referendum, seeing it as an Irish trick, with London's connivance, to put pressure on them to unite.

Mr. Major has insisted that he would never support British abandorment of the north without the consent of the majority, which is indeed the policy of Ire-land and Britain, written formally in the 1985 British-Irish agreement.

So he wants the statement somebow to be reassuring to the Protestants.

Mr. Reynolds says it is a matter of

The other side of the issue is the British desire to get Ireland to assert in a convincing way that it is prepared to revise its 1937 constitution, in which it claims sovereignty over the northern territory.

Mr. Reynolds had promised that the
Irish would put the constitutional claim to a referendum only as part of an overall solution, but on Sunday he indicated that be would put such a guarantee in writing as part of his statement with Mr. Major.

The political predicaments of the two rime ministers also have some bearing. While Mr. Reynolds, with a 37-vote legislative majority, has more freedom to ne-gotiate, Mr. Major has a slim majority in Parliament and must be careful not to estrange the nine Ulster Unionist Party members who support him.

If the talks between the two prime ministers succeed, officials say, there could be an end of violence before

If the peace lasted two or three months, it could lead to an invitation to Sinn Fein to join peace talks.

For Britain, a peaceful settlement of the struggle that has killed more than 3,000 people since 1969 would be a relief, with troops leaving and an end to the threat of IRA bombs in Britain.

For London, relinquishing power in the province of Ulster, even gradually, is a matter of cutting losses, of extricating Britain in a way that might enhance John Major's stature in British history, or at least not cost him control of the govern-

Nor is there any certainty about how many Irish really want drastic change in the political relationship between north and south.

A recent survey published in The Irish Times surprised many officials and analysts with the news that only 32 percent Northern Ireland's 650,000 Catholics favored a united Ireland as their firstehoice political solution.

Slightly more respondents favored joint authority by Britain and Ireland.

# WORLD BRIEFS

#### Military Said to Back Prime Minister In Dispute on Ivory Coast Presidency

ABIDJAN. Ivory Coast (Reuters) — Prime Minister Alassane Quattara does not recognize Ivory Coast's new president and won pledges of loyalty from armed forces chiefs on Wednesday, according to sources

close to Mr. Ouattara.

The sources said that Mr. Ouattara considered there was still a vacancy after the death on Tuesday of President Felix Houphouët-Boigny, who after the death on Tuesday of President Felix Houphouët-Boigny, who after the death on Tuesday of President Felix Houphouët-Boigny, who after the death of the same forces came to see the prime minister today to

"The heads of the armed forces came to see the prime minister today to confirm their loyalty to the government," one source said.

Henri Konan-Bedie, president of the National Assembly, went on state television Tuesday night to say he was the new president of the West African country. He acted on the basis of a constitutional amendment adopted in 1990 according to which the assembly president becomes adopted in 1990, according to which the assembly president becomes chief of state in case of a vacancy and finishes the term of his predecessor.

#### Italian Editor Held on Bribe Charge

MILAN (Remers) — A magazine editor and prominent member of fully's scandal-tainted Christian Democrat Party has been arrested on suspicion of corruption, court sources said Wednesday.

Marcello Pagani, 62, editor of Il Confronto magazine and the former coordinator of the party's parliamentary left wing, was arrested Tuesday evening in Rome on a warrant issued by magistrates in Milan, the sources

Mr. Pagani, who was to be transferred to San Vittore Prison in Milan on Wednesday, was arrested on suspicion of accepting some 300 million lire (\$187,000) from the struggling Ferruzzi group as a contribution to campaign costs in the April 1992 general election, the court sources said.

#### Diana Visits Family Counseling Unit

BELFAST (Reuters) - Diana, Princess of Wales, visited family counseling groups in Northern Ireland on Wednesday, only days

after announcing an imminent retreat from public life.

Pale but poised, the princess visited a Belfast hospital and met workers in two charities for broken homes in what turned into a poignant engagement for the royal superstar who is bidding farewell to the limelight. The visit was planned before she made her anti-

"When marriages come into trouble, life can become deeply painful," David French, national director of the marriage counseling charity Relate, told a gathering that included the princess, who looked at the floor as he spoke. The world can seem a lonely place as people who once loved each other struggle to come to terms with loss."

#### Gabon Opposition Calls for Calm

LIBREVILLE, Gabon (AFP) — Opposition leaders called on their demonstrating supporters for calm Wednesday as the police patrolled Libreville streets in strength as Gabon waited to here who had won a presidential election.

The frontrumers after Sunday's first multiparty poll were the incumbent head of state. Omar Bongo, and his main rival. Paul Abessole,

according to provisional results. The opposition at first broadcast a message on its station, Radio Liberté, to cancel a march from the outskirts to the city center, planned as a protest against alleged electoral fraud. But after counter-appeals were broadcast some 3,000 supporters of various presidential hopefuls, according to police estimates, gathered in the working-class Carrefour Rio district to march "against the Bongo dictatorship" and "to make the government give way.

#### Bosnia Lacks Trucks for Relief Effort

ZAGREB, Croatia (Reuters) - Bosnia's Muslim-led government appealed to the world on Wednesday for trucks to take emergency food aid to the besieged Muslim enclave of Maglaj.

The Bosnian and Croatian governments, estranged over fighting between Croats and Muslims in Bosnia-Herzegovina, agreed on Monday to

guarantees afe passage for two convoys to trapped civilians: one to Magiaj and the other to the Croatian pocket of Nova Bila.

"All guarantees have been given, the road is open and trucks for Nova Bila are ready to go, but the considerable quantity of foodstuffs for Magiaj has no trucks to transport it," said the Bosnian ambasador to Croatian Discontinuous Streeting that 35 (000 people 70 000 of them Croaua, Bisera Turkovic. She said that 35,000 people, 20,000 of them refugees, had been cut off by besieging Serbian and Croatian forces in Maglaj for four months and faced starvation with winter setting in.



# EC-Yeltsin Talks Focus on Trade and Democracy

Mr. Yeltsin, accompanied by his foreign and defense ministers as well as a chief economic

ans were certain to be dominated by prospects for stability and democracy inside Russia after

**EUROPEAN** 

**TOPICS** 

As World's Recession Bites,

More Finns Line Up for Food

In scenes reminiscent of Depression days,

increasing numbers of people in once affluent Finland are lining up for handouts of bread

and elothing.
Up to 200 people now line up each day at

the Helsinki branch of the Salvation Army, up from 50 in the recent past. "The situation is getting worse," said Svend Bjorndal, a Salvation Army officer. "It will be a hard

The sight of such lines is shocking to many

in Finland, where unemployment has risen from a mere 4 percent in the late 1980s to 18.7

Big Brother is outguessing criminals in a troubled urban area of northern England. A

new computer program used by the police in

South Tyneside, near Newcastle, prediets the

time and place where crimes are expected.

based on patterns of the preceding 28 days:

the parliamentary elections and referendum on nization, before signing a "declaration of inhis draft constitution on Sunday.

Mr. Yeltsin held talks with Albert, king of the Belgians, and the Russian leader was to sign agreements with the Belgian government, in-cluding one for the return of Belgian archives

On Thursday, Mr. Yeltsin was to have a breakfast meeting with Manfred Worner, secretary-general of the North Atlantic Treaty Orga-

patrols are then beefed up. The results have

been dramatic: a 22.5 percent drop in bur-glaries in the first year. The approach, devel-

oped by Newcastle University, is like a high-

tech version of the old police-station map

covered with coloren pins, each representing a crime. But the computer has thousands of

crimes in its memory and is constantly updat-

ed. Ultimately, the system works because, as Police Constable Marty Byrne told The Ob-

server, "People are creatures of babit and burglars are no different."

The Spanish government plans to remove

legislation governing abortion from the penal code and introduce a bill to offer abortion on

demand through the 12th week of pregnancy.

In 1985 abortion was decriminalized in cases

involving rape or incest in case of severe

damage to the fetus or when the mother's life

is in danger. There is no important anti-

abortion movement today in Spain, which

has the lowest birthrate in Western Europe.

Hunters may be headed slowly for endan-gered status. There were 1.6 million of them

last year in France, the West European coun-

try with the greatest number, but that was

250,000 fewer than in 1986; meantime, their

average age has risen. A survey by the Na-tional Union of Hunting Federations found

that Scandinavians remain the biggest hunt-

tent" with the European Community and a series of separate encounters with top officials from some EC states.

The declaration summarizes the main points of a new accord under which Russia would be granted easier trade conditions for goods and services as an "economy in transition."

EC diplomats are boping Mr. Yeltsin may be persuaded to repeal his banking decree of Nov. 18 that severely restricts foreign banks' activity in Russia and cuts across the spirit of the draft accord. Russia and the Community also are

#### TRAVEL UPDATE

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#### Strike Disrupts French Rail Service

PARIS (AFP) - A strike by French rail workers was expected to cul

will run on other national lines. Suburban Paris trains will also be badly hit. Seven unions are backing the strike in support of calls for pay raises, employment guarantees and maintaining the rail system under government ownership. The strike is to end Friday at 8 A.M.

Wednesday and thousands of people were stranded in a protest by owners over legislation to renationalize the capital's main form of mass

Construction began in London on a £2 billion (\$2.98 billion) extension to the subway system to connect the Canary Wharf business development

Amsterdam's Schiphol airport expects to become the fourth largest in Europe in both passengers and cargo this year, reclaiming the passenger title from Rome. The assertion by airport officials came in a statement as the airport's 20 millionth passenger of 1993 arrived.

for Thursday to protest the government's privatization plans. The strike could paralyze airports and harbors. (Reuters)

#### Gorbachev Says He'll Vote 'Yes'

stant frustration, the legacy of de-

cades of Communist Party rule.

LONDON — The former

Soviet president, Mikhail S. Gorbachev, said Wednesday that he would vote in favor of a new Russian constitution proposed by his rival. Boris N. Yeltsin.

Mr. Gorbachev said at a news conference, "I will vote for the constitution, on the understanding that this is a kind of public opinion survey and it is for parliament to complete the work." Russians vote on President Yeltsin's constitution and a new parliament on

"Although I know the kind of election this is going to be. verging on a hoax, we must get on with life," he said. Mr. Gorbachev said he had major reservations about the draft constitution.

are still mostly controlled by long-time Communist officials, Mr. Sbabad's campaign seems very much that of a lonely opposition figure. Accompanied by a single local supporter, Mr. Shabad bumbly presents his case to skeptical appara-tchiks, sketches designs for his own campaign posters and implores transportation officials to post his leaflets in buses.

None of this appears to bother him. As a long day ended in an unbeated auditorium with an army veteran berating Mr. Shabad for destroying a great superpower, the candidate seemed refresbed.

That was an intelligent man." Shabad said later, "I wish I could have talked with him long-

Mr. Shabad said he believed voiers would cast a "responsible" vote. While other candidates blithely promise to freeze prices, triple pensions and restore Russia's greatness. Mr. Shabad patiently explains why he will not make such promises, why such promises cannot be kept — and wby Russia should suck to an economic reform course

"They soold and soold, but very often, after scolding enough, they begin to make sense. Mr. Shabad

said. "So we still hope."
Still, among Mr. Shabad's nine cy with none of the benefits. This opponents are at least two other may explain why its standing in 'democrats" - a member of the polls has declined as the election Russian Movement of Democratic Reforms, which is headed by Ana-Since Russia's Choice - and toli A. Sobchak, St. Petersburg's more generally the pro-reform polimayor, and a representative of the ticians known here as "the demo-Yabloko bloc, headed by the recrats" -- are now seen as the official party, they are blamed for form economist Grigori Yavlinski. everything that bas gone wrong including to Mr. Shabad's con-If all three stay in, Mr. Shabad said they will split the reform vote.

Many of the opposition beroes and dissidents of the Soviet era have dropped out of sight, discred-Since local towns and factories ited by their inability to run things in the new era and disgusted by the corruption, confusion and ill-gotten wealth all around.

The transition is difficult. Mr. Shabad said. He cannot stand the idea that he must sell himself, and he said it was far easier to speak out for freedom of speech than for freedom to trade and get rich.

"We used to say, 'Do you want a just society? Do you want to return to Stalin's tortures? Do you want freedom?" he said. "Now we must say. Do you still want to be able to buy good drinks? Do you want fine clothes?' I understand this, but this is something disgusting to us.

"Freedom, spiritual freedom needed no explaining," he added.
"But this is something new. People can say the democrats are now appealing to animal instincts."

Mr. Shabad is easily the bestknown candidate in the district not least because a burly pro-Com-munist lawmaker attacked him in a Kremlin legislative session in the spring. The brawl, in which the slight Mr. Shabad held his own. was broadcast on national televi-



A group of young demonstrators in Moscow denouncing President Yeltsin for using force against hard-liners in parliament in October.

BRUSSELS - President Boris N. Yeltsin hegan a three-day trip to Brussels on Wednesday with the Europeans keen to hear pledges from the Kremlin leader that he will stick to the democratic path after parliamentary elections.

minister, was scheduled to sign a declaration with the European Community on Thursday that would lay the foundations of a new trade relationship.

But Mr. Yeltsin's meetings with the Europe-

The draft charter would give him sweeping

powers at the expense of the new parliament and make him the most powerful leader in

lost to Moscow in World War II.

ers on a per-capita basis. One Finn in six

hunts, and one Norwegian in eight. Four men who accepted a £10,000 (\$15,000) challenge to live like battery hens for a week gave up after 18 hours in a cold, cramped cage. Their temporary home had no sanita-

tion and was 3 feet square and 6 feet high "I feel stiff, sore and knackered," said Richard Brett, one of the four, after leaving the cage on a farm near Hereford in southern England. The animal rights activist Rebecca Hall who had issued the challenge, said: "I think I have proved a point. These men experienced tremendous discomfort, and yet we subject ani-mals to these conditions all the time."

Christmas decorations of natural or biodegradable products are gaining popularity, re-ports Journal de Genève. "People are getting back to the basics," said a Basel store buyer. "They're ordering unbreakable recycled-pa-per ornaments or decorations of straw." Pine

cones and mushrooms are also popular.

A British entrepreneur, meanwhile, offers the perfect complement to such ornaments: the recyclable tree. Ru Hartwell, 35, leases potted spruces and pines for £40 to £60; after the holidays, he collects and replants them. He expects to rent 200 trees this year.

service by up to two-thirds on Thursday. Disruption began Wednesday evening on overnight express trains, the state railroad company said.

Service on the high-speed TGV network will be normal on the Paris-Lille bine, but only two trains in three will run between Paris and Lyon and Marseille, and Paris and Bordeaux, said the company, known as the Depending on destination, one out of three or two out of three trains

More than 1,500 Athens buses remained locked in their garages

in east London with the center of the capital.

Israel's iabor federation, Histadrut, called a one-day public sector strike

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# Americans Cite 6,000 Somali Casualties

WASHINGTON - President Bill Clinton's special envoy to Somalia and a Marine Corps general who directed U.S. military opera-tions there say there were 6,000 to 10,000 Somali casualties in four months last summer, either in elashes with UN peacekeepers or in fights between rival factions.

To experts studying the military lessons from Somalia, the firefights

breakdown of how many Somalis his political rivals. They said they

were killed and how many wound-ed, nor did they have an exact ures, which they checked with U.S. count of how many casualties were inflicted by clan lighting and how many in clashes with UN forces. In a handful of more closely followed battles with UN peacekeep, lighting and the control of the casualties were women to the control of the casualties were women.

There was a perception after the Gulf War that combat is clean, almost antiseptic," one officer said.
"But in urban guerrilla warfare, you're going to have casualties. You need to know what you're

of the last six months against a ships off the coast.

count of how many casualties were intelligence and military special-

ers, the wounded outnumbered thirds of the casualties were women those killed by more than 2 to I. or children, many of whom were
The officials said the toll, from used as shields by militia fighters. In interviews, Robert B. Oakley, June 5 to Oct. 3, came out of recent the envoy, and Major General Anthony C. Zinni could provide no Farrah Aidid, the elan leader, and Aidid's stronghold.

# SOMALIA: Leaving, Guns Ready Spy Suspect Tied

Continued from Page 1
as on a string back to Washingon," or to Central Command cadquarters in Tampa. Florida.
"General Bir would ask the reach or the Italians to do somereach or the Italians to do somesome using guerrilla tactics on the some turf seemed reminiscent of other so-called low-intensity conflicts since World War II. The batthe of Oct. 3-4, when I & Americans were killed and 78 wounded, was a specified reminiscent of other so-called low-intensity conflicts since World War II. The batthe of Oct. 3-4, when I & Americans were killed and 78 wounded, was a specified reminiscent of other so-called low-intensity conflicts since World War II. The batthe of Oct. 3-4, when I & Americans were killed and 78 wounded, was a specified reminiscent of other so-called low-intensity conflicts since World War II. The batthe of Oct. 3-4, when I & Americans were killed and 78 wounded was a specified reminiscent of other so-called low-intensity conflicts since World War II. The batthe of Oct. 3-4, when I & Americans were killed and 78 wounded was a specified reminiscent of the other so-called low-intensity conflicts since World War II. The batthe of Oct. 3-4, when I & Americans were killed and 78 wounded was a specified reminiscent of the other so-called low-intensity conflicts since World War II. The batthe of Oct. 3-4 when I & Americans were killed and 78 wounded was a specified reminiscent of the other so-called low-intensity conflicts since World War II. The batthe of Oct. 3-4 when I & Americans were killed and 78 wounded was a specified reminiscent of the other so-called low-intensity conflicts since World War II. The batthe of Oct. 3-4 when I & Americans were killed and 78 wounded was a specified reminiscent of the other war II. The batthe o was on a string back to Washing-ton, or to Central Command headquarters in Tampa. Florida. French or the Italians to do some-thing, and they'd have to check shocking reminder of war's brutalwith Paris or Rome first," he add-

A senior officer agreed: "The basic problem is that most commanders have to call home before they say 'Yes sir' to the force commander. It's intolerable to have national signing on to."
Now, as the U.S. redeployment capitals involved in tactical issues when they're thousands of miles

begins, departure has become the end game for the \$,000 American troops ashore and 8,000 others on could not confirm that. She is con-

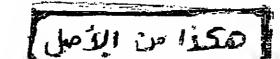
BERLIN - A former secretary and interpreter at the U.S. Embas-sy in Bonn has been indicted for treason. German authorities said Wednesday. The chief federal prosecutor said

the defendant, identified only as 48-year-old Gabriele A., filmed

U.S. military secrets and gave them to the former East German intelligence agency. A U.S. Embassy spokesman. Paul Brazell, said he assumed that

the woman was German but he rently free on bond.

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HEALTH CARE FEEDBACK - Hillary Rodbam Clinton, head of the Clinton administration's health care task force, listening to discussion of the administration's proposal for reforming the nation's medical system at a roundtable in Boston. The session lasted for more than three hours.

# Beefing Up Protection for GIs

Pentagon Fear: Attacks With Poison Gas or Atom Arms

By Michael R. Gordon

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New York Times Service WASHINGTON - To guard against Third World threats, the Pentagon is undertaking a major effort to protect American troops against poison gas, hiological agents and nuclear weapons.

The initiative reflects the view that efforts to stem the spread of weapons of mass destruction are most likely to fall short, making U.S. forces increasingly vulnerable to attacks by Third World foes.

To carry out its program, the Defense Department plans to spend hundreds of millions of dollars to buy new vaccines in inoculate troops against germ warfare and develop new bombs to incinerate chemical and biological weapons stocks, among other steps. In a stark warning to potential adversaries, the

Pentagon also said it would produce more powerful munitions to blow up underground command posts used by Third World leaders who direct the use of the most deadly weapons.

"We're looking at improved nonnuclear penetrating munitions to deal with underground installations. you'll recall, was hulding a lot of undervulnerable to our precision air strikes. We cannot let future Saddams escape attack."

in the Gulf War, the U.S. military also had great difficulty in searching for Iraq's Scud missiles and found itself without enough vaccine to protect American troops against possible germ weapons.

The United States also had poor intelligence on the scope of Iraq's nuclear threat and did not have special weapons that could totally destroy stocks of chemical and hiological weapons instead of hlowing some up and scattering the rest. Some of the military's limitations are also evident in

the case of North Korea. The Clinton administration has all but ruled out a pre-emptive strike because it might trigger a North Korean attack on South Korea. General Merrill McPeak, the air force chief of staff,

said recently that a pre-emptive attack would not be wholly successful, because U.S. intelligence could not locate North Korea's hidden caches of plutonium and because attacks on North Korea's graphite-core nuclear reactor with conventinnal bombs could cause radioactive pollution.

"Mnre than a score of countries - many of them Defense Secretary Les Aspin said in a speech at the National Academy of Sciences on Tuesday. "Saddam hostile to the United States, our friends and our allies — have now or are developing nuclear, hinlogical or chemical weapons, and the means to deliver them." ground refuges because normal structures were intally Mr. Aspin said, "More than 12 countries have operatinnal ballistic missiles, and others have programs to

# Prolonging Rich Tradition, 2 Aides Become Lobbyists

By Ann Devroy

WASHINGTON - The first two senior officials to leave the Clinton White House will head major lohbying or public-relations concerns here, following a long Washington tradition that President Bill Clinton prom-

Mr. Clinton wowed to "end the revolving door from public service to private gain and both of the officials leaving - Howard Paster, head of the congressional liaison of-fice and Roy M. Neel, deputy chief of staff - insist that they will not lobby the White

But Mr. Paster, who is rejoining the huge lobbying firm of Hill & Knowlton, and Mr. Neel, who will head the United States Telephone Association, will be serving clients who have major issues before the White House and Congress, from health care to

To replace Mr. Neel, the White House

ment on Tuesday was not greeted with wide spread approval in the White House or carb the influence of lobbyists, such as limitations Democratic politicians because of ing tax deductions for lobbying and expand-Mr. Lader's lack of experience in Washing-

ton and national politics. During his presidential campaign, Mr. Clinton criticized the culture of Washington, and noted specifically that allowing former officials to lobby the people they worked with was not in the people's interest.

"I think there should be limits on the revolving door from government to lobby-ist," he said. "I think we should make it much more difficult for people to walk out of a government joh and start lobbying." The White House chief of staff, Thomas F.

(Mack) McLarty, said no nhjections were raised to the new jobs for Mr. Paster and Mr. Neel because both officials "are fine, ethical You have to start there," he said.

Mr. McLarty and others said that as long as there were "advocates and lobbyists" in Washington, it would be unfair and wrong to selected Philip Lader, a deputy at the Office bar future employment for those who come Senate and then as his first vice presidential of Management and Budget. The announce- to work in the White House. They added that chief of staff.

ing from one to five years the period in which officials could not lobby their former agen-

Mr. Paster, the new president and chief executive officer of Hill & Knowlton Worldwide, said he would not directly lobby either White House or the Congress.

But a Washington lobbyist who was approached for the job Mr. Paster is taking said: "They want a rainmaker. His job is to get business for Hill & Knowlton, and they nted someone in the administration who knows the president and the players to give them the stature to attract clients.

Mr. Neel brings to the U.S. Telephone Association, the Washington lobbying arm for phone companies, nearly two decades of experience in high-technology and commu-nications issues. Mr. Neel was a top aide to Vice President Al Gore when he was in the

Mr. Neel said he "feels perfectly comfortable" about lobbying Congress. "The public interest is not well served by having no one from the private sector go into government or having no one from government go out to the private sector," he said.

Mr. Lader, Mr. Neel's replacement, was described by Mr. McLarty as the "chief operating officer" at the White House, responsible for White House operations and staff. including overall policy coordination. That is a far broader mandate than was given to

An official said that Mr. McLarty would assume more outside duties and that Mr. Lader would work inside. Mr. Lader is expected to impose discipline on an unusually undisciplined White House.

The announcement was greeted with skepticism by some in the White House, who noted Mr. Lader's lack of Washington and national political experience, his life in business and academia before his current job; and his reputation as a "nice guy with good business management skills, nice smile, nice

# **Outdated Storage Sites** Leaking Radioactivity

Department storage pools for so the uranium rusts and contami-long that the fuel and storage nates the water in the pools.

Along with the fuel and its wrapto the Energy Department.

up after 50 years of nuclear weapto be tens of billions of dollars.

The fuel was put through nuclear reactors as a step in making pluto-nium and tritium for bombs. It was Thomas P. Grun to sit in the storage pools for only ly shut the processing plants in the crete and steel casks.

1980s, the fuel was marooned. "Here we are at the

near Richland, Washington, and more effective. the Idaho National Engineering The storage Laboratory, near Idaho Springs.

All three are large government dozens of workers to sharply higher tive material that escapes could just can't." spread for many years,

The spent fuel is generally uranium wrapped in aluminum or other metal, which is submerged in water held in concrete basins that are either unlined or lined with steel.

The basins, which the depart-ment described as being like "rohust swimming pools," may hold a few thousand to more than a mil lion gailons of water, and contain many tons of the fr

Some of the fuel is in a chemical aluminum that surrounds it is cor-

By Matthew L. Wald - roding, allowing radioactive mate-New York Times Service rial to escape. In other cases, the WASHINGTON — Millions of uranium itself is in a metallic form pounds of highly radioactive reac-tor fuel have been sitting in Energy which it is wrapped develops a leak,

spreading radioactivity, according ping, the racks, cranes and cables to the Energy Department, used to handle the fuel are also The problem promises to add rusting. At a briefing Tuesday in substantially to the cost of cleaning which the department released a report on the fuel, officials dis ons production, already expected played underwater photos of metal parts that are now so deformed that they look like they might have been

Thomas P. Grumbly, assistant secretary of energy for environ-18 months or so, to cool until the mental restoration and waste man-plutonium and other valuable ma-terial could be extracted from it. had so far only one solution to the But when safety problems sudden- problem: storing the fuel in con-

"Here we are at the edge of a The Energy Department has 29 spent-fuel crisis and all we have is pools or clusters of pools, at the dry casking technology," he said. Savannah River Site, near Aiken. The department, he said, had yet to South Carolina; the Hanford Site, explore other solutions that may be

The storage pools have cooling systems and water-purification systems, but in some cases radioactive reservations in rural areas, limiting material is leaking into the water so the danger of public exposure. But fast that the purification systems deterioration has already exposed can harely keep up, officials said.

"We can't keep this stuff in the radiation levels. And any radioac-basins," Mr. Grimbly said. "We

#### POLITICAL NOTES

#### **President Firmly Behind Elders**

WASHINGTON -- President Bill Clinton said Wednesday that he disagreed with the suggestion by Surgeon-General Joycelyn Elders that legaliz-ing drugs could help make streets safer, but that he would "stand behind her four square."

"When you have someone who is outspoken and energetic like she is there are going to be times when she'll be outspoken and energetic in a way

that I don't necessarily agree with," be said.

The president, who weathered earlier storms over hlunt statements by Dr. Elders when she was his health director in Arkansas, said, "I think the cost of legalizing drugs would far outweigh the

benefits."
He added: "I certainly stand behind her four square. I think she's done a good jnb, and she's beginning to really focus the country on a lot of these health problems."

Dr. Elders said Wednesday that she had "no second thoughts" about her comments. She said she had not been reprimanded or muzzled by the

White House. Republicans and conservatives who opposed her confirmation expressed outrage; some said the outspoken doctor should resign or be dismissed.

"Americans must be wondering if the surgeon eneral is hazardous to our health," said the Senate Republican leader, Bob Dole of Kansas. In comments Tuesday, Dr. Elders said that 60

percent of violent crimes were drug- or alcoholrelated and that she felt that legalizing drugs would 'markedly reduce" the crime rate. She added that she did not know all the ramifications, but that it was worth studying,

#### A Money-Back Deal for Shultz

WASHINGTON - A special panel of the federal court of appeals in Washington announced that it had awarded former Secretary of State George P. Shultz \$281,398 to reimburse him for legal fees he incurred in 1992 while he was a subject of the Iran-contra investigation conducted by the independent counsel, Lawrence E. Walsh.

The reimbursement was made under the 1978 ethics in government act that initially set up independent counsels. Under that act, an individual who has been investigated by an independent counsel is eligible to have his legal expenses reimbursed by the government if be is a "subject" of the investigation and no indictment is brought. (WP)

#### Dėjà Vu for Republican Senator

AUSTIN, Texas — Senator Kay Bailey Hutchion, Republican of Texas, was re-indicted Wednesday on ethics charges stemming from her tenure as state treasurer, a prosecutor said. "Same charges, same indictments," said Steve

McCleery, a Travis County prosecutor. Mrs. Hutchison, 50, was previously indicted in September on four felony counts and one misde-

She was accused of using treasury employees to perform personal and political chores on state time and of attempting to cover up the activity by destroying computer tapes.

On Oct. 26, those charges were dropped after Mrs. Hutchison's lawyers discovered that a grandjuror on the previous panel was ineligible to serve.

Mrs. Hutchison, who won a special election June 5, has denied wrongdoing.

#### Quote/Unquote

Surgeon-General Joycelyn Elders: "Many times they're robbing, stealing and all of these things to get money to buy drugs. I dn feel that we would markedly reduce our crime rate if drugs were

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# Wolfgang Paul Dies, Shared Nobel For Work on Ions and Electrons

New York Times Service: BONN — Wolfgang Paul, 80, who was awarded the Nobel Prize in Physics in 1989 for his work in isolating ions and electrons, died of heart failure here Monday.

Mr. Paul was cited for his work in developing a method of isolating ions and electrons in a way that allowed scientists to measure them with precision. He shared the Nobel Prize with Norman F. Ramsey, and Hans Dehmelt, both Ameri-

Mr. Paul had been associated since 1952 with the University of Bonn, where he was director of the He studied physics and engineer-

He became a student of Hans Kopfermann Their work on partiele physics interested the Nazis. who wanted Germany to produce a nuclear weapon before the Allies

vard and the University of Chica-

Lewis Thomas, 89, Essayist And Medical Philosopher New York Town Service

Lewis Thomas, 80, the poet-philosopher of medicine who was president of the Memorial Sloan-Kettering Cancer Center and dean of the medical schools at Yale and New York University, died of Waldenstrom's disease Friday in New York City.

The essays that brought him renown were first written for The He studied physics and engineering in Munich and obtained a doc-and later collected in best-selling books, including "The Lives of a Cell," for which he won a National Book Award in 1974, and "The torate in physics and engineering in Medusa and the Snail."

He was haunted in his later years hy what he called "the risk of earthty incandescence." It was unlikely,

did. After the war, he was invited to he believed, that the world would the United States to lecture at Har- be done in by natural forces. "If we are to be destroyed we will do it ourselves by warfare with thermonuclear weapons," he wrote in his essay "Basic Science and the Pentagon." But his optimism came through when he wrote, "Just get us out of this century and into the next and then watch what we can

> Panl-Lonis Weiller, 100, France's last surviving World War I flying hero and a member of the French Academy of Fine Arts, is dead, the academy said Tuesday.

> Robert Taft Jr., 76, a former U.S. representative and senator died Monday in Cincinnati after a stroke. Mr. Taft, a Republican, was the grandson of William Howard Taft a president and chief justice. and the son of Robert A. Taft, also a senator who unsuccessfully sought the presidential nomination in 1952.

#### GI in Germany **Decapitates** Wife's Lover

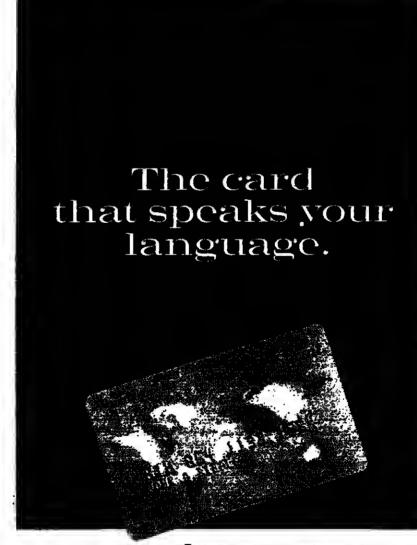
Agence France-Presse FULDA, Germany — An American soldier cut off the head of his pregnant wife's lover and put it on her bedside table in the hospital here where she was about to give birth, a spokesman at the German public prosecutor's office said Wednesday. The husband struck when

his rival, a fellow soldier, was phoning the woman from Sickels military airfield. The husband cut off the lov-

er's head, then drove to the hospital and showed it to his wife, leaving it there. The victim had time to telephone the woman to tell her, Your husband is coming.

before being beheaded, the

German sources said. An army spokesman con-firmed that a decapitated body had been found at the airfield



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#### **Away From Politics**

 American schools employ fewer teachers than they do support staff such as guidance counselors, bus drivers and cafeteria workers, the Paris-hased Organization for Economic Cooperation and Development reported. The United States is the world's top spender on education, a study found, but has a smaller proportion of teachers in the work force than most other industrialized countries. • A neck into a hunger strike. Dr. Jack Kevorkian was "considerable

weaker" but still refusing to submit to a physical examination, his lawser said. Dr. Kevorkian was jailed Nov. 30 in Pontiae. Michigan. on charges of aiding a suicide. "We are now, as much as I hate to say it, beginning the death watch," said the lawyer, Geoffrey N. Fieger, · A boy went to his kindergarten class carrying heroin in five plastic envelopes, the police said. The boy, 5, from the New York City borough of the Brony, told his teacher that his aracle had put the envelopes in a pocket of his jacket, a police detective said. • An important witness in the World Trade Center trial, asked to

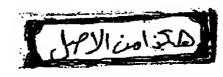
identify two of the defendants whom he said he had encountered hours before the bomb attack on the New York skyscraper, walked around the courtroom and then picked out two members of the jury instead. • The paper industry has set a goal of recycling 50 percent of all paper by the year 2000. The American Forest and Paper Association, which vigorously fought strict new Clinton administration recycling requirements for government printing and writing paper, said its goal will mean 50 million tons of paper will be recovered in 2000. Massachusetts is about to nutlaw discrimination against homoses-ual students in public schools, making it the first U.S. state to take

#### Rate the world's best restaurants with Patricia Wells.

The IHT's restaurant critic has set out on a rare and ambinious gastronomic normey, a search for the 10 best restaurants in the world. She will be rating, in month-to-month region, and comparing them to one another.

Whether it's the best in dim sum, delicious but secret sushi bars or the finest of French tables, she will guide readers with articles about inexpensive restautants as well as the grand ones in the world's major cities. She will also share her tips on how to select aughty restaurants in unfamiliar remitory.





# 5 Days to Pullout, Israel Bolsters Troops

By Clyde Haberman

New York Times Service
BETHLEHEM, Israeli-Occupied West Bank - Five days before Israel was scheduled to begin pulling back its forces to the Gaza Strip and part of the West Bank, it went to the opposite direction Wednesday, significantly bolstering troop strengths in an effort to control a recent surge of violence.

Despite the reinforcements, Palestinian gunmen shot and seriously wounded an Israeli who was shopping in Bethlehem across from the traditional burial place of the biblical matriarch

It was the latest in a long series of attacks that have left at least 50 Jews and Arabs dead and several hundred wounded since Israel and the Palestine Liberation Organization agreed in September on totroducing Palestinian self-rule to the occupied territories.

With violence lately overshadowing what are

supposed to be talks about peace - and with militants on both sides threatening to do whatever it takes to torpedo the Israeli-PLO accord - the Israeli authorities decided on a muscleflexing display to show that they are still in

Thousands of soldiers were sent into the West Bank and Gaza, reportedly more than at any point since the early days of the Palestinian uprising, which enters its seventh year on Thursday.

But officials insisted that the huildup was a

retreat from Israel's commitment to begin withdrawing its forces, starting in Gaza and the West Bank town of Jericho, once all the security arrangements are worked out with the PLO.

The two sides have set Monday as their deadline, but it increasingly looks as if they will need more time to work out key details. Prime Minister Yitzhak Rabin told Israeli newspaper editors that Israel had four times as many troops in the territories as in southern

Lebanon and along the Lebanese border. He

said there were 120 companies in the territories; that would amount to about 14,000 soldiers. It was a rare disclosure about troop strength, normally a top secret, and it strongly suggested a political maneuver to show that no matter how loudly Jewish settlers in the territories proclaim that they have been abandoned, the overnment is still committed to protecting

As expected, bowever, settlers and their rightist supporters were not assuaged, especially since the buildup is also intended as a check on gun-toting extremists within their ranks who have vowed to bring down the Rabin govern-

Rightists stepped up street protests against the agreement with the PLO, which they call

The troop reinforcements left parts of the territories looking as besieged as at any time during the Palestinian uprising.

For a second day, a 24-hour curfew was imposed on Hebron, where militant settlers and Palestinians are locked in a struggle that has killed three people to recent days.

Bethlebem, too, was put under curiew for a while because of the shooting of the Israeli, Yair Cohen, who lives in a nearby settlement Israeli soldiers conducted house-to-house searches, holding several hundred Palestinians for questioning and then letting most of them

"We still need to show we're to control of the situation," an Israeli official said. "We're still there. But it doesn't mean that we're not going to get out of there."

■ Delay Acceptable to U.S.

Secretary of State Warren M. Christopher said Wednesday that the United States would not object if Israel delayed its troop withdrawal from the Gaza Strip and Jericho, provided the

PLO also agreed, Renters reported from Cairo,
"If the two parties would agree that they need a few more days or whatever period of time to work out existing problems," Mr. Chris-topher said, the United States "would not have an independent judgment that was adverse." But he urged Israel and the PLO to carry out

"The sooner they can begin the actual implementation, the more progress that will be made and the less the likelihood of violence," Mr. Christopher said.



# Thatcher Tells Inquiry She Wasn't Informed of Sensitive Sales to Iraq

By Richard W. Stevenson

New York Times Service
LONDON — Former Prime Minister Margaret Thatcher said Wednesday she had been unaware that junior ministers relaxed a prohibition on sales of militarily sensitive goods to Iraq to 1988, allowing sident Saddam Hussein's regime to buy British weapons-making equipment in the years before the Gulf War.

Testifying for the first time in an official inquiry into the sales, Lady Thatcher said she wished she had been kept informed of the change. She said however, that she viewed the shift even now as technical, limited in effect and not a fundamental policy change that required her approval or public disclosure.

Lady Thatcher, who led the Conservative government until November 1990, four months after the Iraqi invasion of Kuwait, said in response to questions at the inquiry that she had not knowingly misled Parliament when she told the House of Commons in 1989 that guidelines on weapons sales to Iraq formulated in late 1984 had not been changed.

"This particular answer given was what I believed to be correct." she said.

Asked whether Parliament should have been informed of the change, Lady Thatcher, who frequently referred to her tenure in office in the present tense, replied: "I would not like to answer that question without considering it

with my ministers." Lady Thatcher spent most of the day parrying polite but pointed questions from Lord Justice Scott, the High Court judge who is lead-ing the inquiry, and his chief assis-tant, Presiley Baxendale.

The inquiry is to issue a public report next year, but has no power to bring criminal charges, and wit-nesses have been granted a near-

blanket immunity from prosecu-

Occasionally turning combative, the former prime minister repeatedly turned aside suggestions that the policy shift outlined in government documents and previous testimony to the inquiry amounted to a major change to the way Britain dealt with requests by its manufacturers to export "dual use" comp-

ment to Iraq. Such equipment, including ma-chine tools, has civilian uses but can also be employed in the pro-

duction of weapoury. Under the 1984 guidelines, Brit-ain effectively prohibited sales of weaponry and dual-use machinery to both Iran and Iraq, which were at war at the time.

After the cease-fire between those two countries in 1988, Britain began responding to requests from its exporters by allowing the sale of dual-use equipment to Iraq. al-though the Thatcher government did not publicly disclose the

"It seems to me abundantly clear that when they proposed these changes they viewed it as a change of circumstances rather than a change of policy," Lady Thatcher

The inquiry was set up by Prime Minister John Major last year following the collapse of a criminal case against the top executives of Matrix Churchill, an Iraqi-owned, British-based company that was selling machine tools to Iraq in the

The executives had been charged with violating export laws, but the charges were dropped after govern-ment officials acknowledged they had known that the equipment might be used for military pur-

Lady Thatcher said that she had not been consulted about the grant-ing of export licenses to Matrix Churchili.

#### GATT: Asians and Latins Furious SPACE: Another Hubble Success

#### Continued from Page 1

an support for numerous changes in the draft text of the talks. The changes would allow Washington and Brussels to continue imposing steep taxes, known as anti-dumping tariffs, on low-priced imported goods, often from Asia and Latin America.

They attempt to push this at the last minute and they try to ram it through - it's again an todication erate Democrats. Republicans and of lack of sensitivity to developing countries," said Krishnasamy Ke-

savapany, a Singapore envoy. Koro Bessho, a Japan Foreign Ministry negotiator, said the Brussels deal was bad for Japan on antidumping and did not go far enough in culting tariffs on electronics, scientific instruments, paper, pulp

and toys. Meanwhile, American congressional leaders, executives, labor representatives, lobbyists and environmentalists who fought for and against the North American Free Trade Agreement have been pouring into Geneva in recent days to fight shoulder to sboulder against various provisions in the draft ac-

The influx is one of the first signs of a looming political problem for the Clinton administration to winning congressional approval of the

Senator Daniel Patrick Moynihan of New York, worried about and Means Committee, who wants attacks in Mölin, apparently Mr. America's ability to retaliate more help for American movie inagainst dumping, and Senator John dustry.

D. Rockefeller 4th of West Virginia, concerned about limits on subsidies for medical research, came last

Representative Dan Rostenkowski, who heads the Ways and Means Committee and is seeking to protect limits on low-cost imports, will bring an air force jet full of committee members to Geneva.

It was strong support from modcorporate chieftains that pushed the North American pact through Congress. But many of these same people are now deeply hostile to world trade pact, which, like NAFTA, must win majority approval in both houses of Congress.

Some American politicians are seeking broad changes in the draft text, such as the removal of sections that would limit the federal government's ability to act unilaterally against countries that keep out American goods or that belp their exporters with government money. Other politicians have more parochial concerns.

So many members of Congress and business leaders have concerns about the text that it is unclear how the Clinton administration will gather the votes needed for House passage, according to Representative Robert T. Matsui, Democrat of California, a member of the Ways

ies. Mr. Hoffman and Mr. Musgrave were also scheduled to repair the power supply of one of the cope's four science instruments, a light-splitting spectrometer, and conduct an impromptu second trip to the top of the telescope to put a homemade cover over a loose sensor housing that could flake off and contaminate the

telescope's interior. The long, flat connectors on the SADE units resemble those on the back of most personal computers. according to Mr. Hoffman, each with two little screws. And they are on the back of a module in a tight. workspace. Although most elements of the telescope were denine, officials said, there should be signed to be serviced by astronauts no major problems.

wearing fat spacegloves and therefore use fixtures that are "EVAfriendly." this hardware was considered unlikely to need servicing and, in a money-saving measure was built more traditionally, officials said. Transistor overheating however, has caused one of the two units to fail. The crew is equipped with a de-

vice called a hairclip, which resem-bles a wirey clothespin, designed to clamp down on the small screws so they do not float off toto the telescope when loosened. If the crew deals with the SADE connectors and other remaining tasks in the same unruffled manner

Lady Thatcher leaving the inquiry after her testimony Wednesday. She parried polite but pointed questions from Lord Justice Scott.

# NEO-NAZIS: Verdicts Signal Tough German Stance TRAIN: A Racial Motive in N.Y. Commuter Killings

#### Continued from Page 1

humans." Both men had attended meetings of far-right groups, and Mr. Peters admitted that he had participated to other attacks on foreigners. In the firebombing confessions they later retracted, both men said they had totended only to scare people, not to kill anyone, An anonymous caller who alert-

ed the fire department to the two

not conceding his clients' guilt, argued in his summation that the defendants were "two especially weak people" who were driven to anti-social acts because such acts were "an expression of self-assertion and the resulting need for vali-

The chief prosecutor conceded that this might be true, but said it did not overshadow the crime or its political motivation.

Judge Ehrlich evidently agreed, has ex He said he sympathized with the years.

One of the defense lawyers, while problems of Mr. Peters, who was often beaten hy his father, and Mr. Christiansen, whose mother killed herself. He described them as "two men who were unable to come to grips with life and who had a fatal influence on each other."

But the judge said he was convinced that the men were "indifferent to the fate of the victims." Victims of the Mölln attacks

were not asylum-seekers, but part of a stable Turkish community that has existed there for more than 20

my seat, for real, knowing this man was going to kill people indiscrimi-nately," said Carl A. Petersen. 48, of Garden City.

Passengers said the man fired repeatedly, then reloaded and fired again, Mr. Petersen worked his way to the vestibule, where passenger normally wait to get off. He and several others were hoping to escape when the doors opened, but the gumman fired several shots at . Mr. Ferguson bought his weapon

Kevin Blum of Garden City said . waiting period required by state

the gunman ran out of bullets, then stood in the train aisle with a blank look on his face. That was when Mr. Blum and two other passengers

"It looked like a good time," said Mr. Blum, a 42-year-old Wall Street businessman. "He was standing to the aisle with the gun in his hand and as we came toward him, the gun dropped.

legally in California after a 15-day

law, according to the store that sold it to him.

Lee Montoya, an official of Turner's Outdoorsman to Chino, California, said the sale, on May 5, vas routine. Information about Mr. Ferguson was filed with Cali-fornia officials, Mr. Montoya said, and "nothing raised any red flags as to why he could not have a hendern" handgun,

The 9mm semiautomatic Ruger was traced to the store by the federal Burean of Alcohol, Firearms and Tobacco.

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proposals should Mr. Patten slov.

down his push for constitutiona'

"The Chinese side would agree

on a British proposal to apply the

'single sear, single vote' concept to

the 1995 legislature polls in Hong

Kong if Patten slows down and the

But, one senior source said. "I!

Patten presents it to the Legislative

Council, there will be nothing left

"I think the best way is for legis-

lators to request a postponement,"

the source said. "If the majority of

legislative councilors ask for it. Pat-

ien should be compelled to com-

cial Xinhua News Agency said. Once the British side submits the

'Political Reform Program' to the

Legislative Council, either com-

pletely or partially, it would mean the British side has unilarerally

Maneuvers, Citing

Korea Instability

Agence France-Presse

away from northern Japan because

of iostability on the Korean Penin-

sula and the breakup of the former

Soviet Union, it was reported

Starting in 1996. Japan's De-

TOKYO - Japan has decided to shift the focus of army exercises

Xinhua said the Patten plan was

closed the door of negotiations."

Later Wednesday, China's offi-

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talks are reopeoed," he added.

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# Tells Inquia Washington Washington Sales to Ira To Delay on Sanctions

SEOUL - The United States and South Korea will not push for immediate sanctions against North Korea at the United Nations, even though the North's latest offer to end a nuclear dispute is unsatisfactory, South Korean officials said

Wednesday.

Although North Korea's recent response to calls for inspection of its suspect nuclear plants is insufficient, a South Korean spokesman said, the reaction requires "basic consideration regarding the future of the Korean peninsula."

President Bill Clinton and President Kim Young Sam of South Korea, the spokesman said, will consider elements of the North Korean offer and not reject it entirely.

Mr. Clinton told Mr. Kim by phone Tuesday that the United States would not back off from its

full inspections of its nuclear facilities, the White House said. The statement amounted to a rejection of North Korea's offer to allow some access to its installa-

insistence that the North agree to

tions while keeping its two most sensitive sites closed. The Northern offer contains some elements that deserve a positive reaction from Seoul and Washington though it is unsatisfactory and not acceptable as a whole," a ministry official said.

"Our goal is to resolve the nuclear issue peacefully through dia-logue and negotiation," he said.
"We have no immediate plans to refer the issue to the United Nations Security Council for interna-

The UN secretary-general, Butros Butros Ghali, will visit North Korea this month, a spokesman said Wednesday in New York.

South Korea fears that harsher international action could prompt the unpredictable leadership of the Communist North to start a war.

North Korea on Friday reportedly offered to open five relatively minor sites but not its two most sensitive ones, at Yongbyon, They are a reactor and a reprocessing plant, which Western intelligence says could be used to separate plutonium for a nuclear bomb.

In return for its limited offer, North Korea wants U.S. diplomatic recognition and economic and political benefits.

PERSONALS

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ANNOUNCEMENTS

Attention visitors

from the U.S. !

# As Planes Fill China's Skies, Safety Gets Bumped

By Lena H. Sun Weshington Post Service

BELIING — After three crashes and

eight hijackings, the Year of Safety for Chinese airlines has turned into a Year of Calamity.

Last year was the worst in Chinese aviation history, with five crashes that killed more than 380 people, one-fifth of the world's passenger families for the year. In November 1992, a Southern China Airlines Boeing 737 slammed into a moun-

tain near Gulin, a major tourist stop in southern China. All 141 people aboard were killed. A year later, the Chinese government still has not officially announced the cause of that crash, the deadliest in Chinese aviation history. So far in 1993 — which was to have been

the Year of Safety in Chinese civil aviation three crashes have killed 73 people. In two of the crashes, bad weather has been cited as a factor. But in the third, which killed 59 people, initial Chinese news reports blamed pilot error and a runway that was too short.

Ji Jiushen, head of the safety division of the civil aviation agency, now says the crash was caused by faulty wing flaps on the plane, a British Aerospace Whisperjet.

With the world's fastest-growing avia-tion market and lax regulation, China's airlines are struggling to maintain safety

"Growth has been too fast," said Mr. Ji.

facilities and training of personnel."

"The aviation sector, which is undergoing rapid expansion, has failed to carry through rules on air safety and security," said Yan Zhixiang, deputy director of the Civil Aviation Administration of China. after a nationwide tour this fall to study safety issues.

The safety problems come at a time when international travel to China and within the country is surging. While air-lines in Europe and the United States are in a slump, China's passenger traffic grew 33 percent last year and 24 percent in the first half of this year over the same period

The growth has been spurred by decentralization of the airline monopoly and by a booming economy that has raked in foreign investment, revived tourism and fueled desire by China's increasingly affluent population of nearly 1.2 billion to fly instead of take the train.

China is now scrambling to meet de-mand. It is trying to form new airlines, build airports, buy jets, train pilots and flight attendants, apprade air-traffic con-trol and improve decades of poor service - all at the same time.

"China is trying to develop its air industry very quickly to match its booming economy, and when you do things quickly, you tend to make mistakes," Smart Matthews, chairman of the U.S.-based Flight

"This has created a strain on our basic Safety Foundation, said during a recent meeting in Kuala Lumpur.

China issued new regulations this summer to improve salety and double the traffic its overcrowded airports can handle. China has also sought help on crash investigations from the U.S. National Transportation Safety Board. The U.S. Federal Aviation Administration plans to post a senior representative in Beijing by the end of the year.

Meanwhile, the formerly monolithic Civil Aviation Administration of China has spun off its airline operations into seven semiautonomous companies. Local governments, private companies and even peasants have bought or rented planes to open new routes. There are now at least 35 airline companies, but in July, the aviation agency stopped authorizing new airline

In 1984, the country had 15 commercial aircraft, mostly outmoded Soviet-built models. Now, China has about 400 aircraft, according to a recent report in the official China Youth Daily.

Conditions make clear that there is a long way to go. Ground facilities lag be-hind the increased traffic. There are insufficient airports, many with damaged run-ways. Telecommunications, radar and other navigational facilities are outdated.

"This makes safe flight almost impossible regardless of how advanced the planes are," the Southern Weekend newspaper

reported in April in an exposé of aviation

China also faces hig shortages of skilled. experienced stall in nearly every field. from customs and air traffic control officers to pilots, flight attendants and engi-

The former manager of a Western air-line that flies to China said: "They're very lax about the amount of hand baggage you have, they're very lax about where you put your bags, and they'll take off before peo-pic are all scated."

On a flight from Xian to Shanghai, a European businessman noticed something different about his lunch. "It really looked like something was missing," he recalled. When he walked by the flight attendants' work station later, the curtain was slightly

"I saw the plates with all the meat piled up, and the flight attendants were sitting there eating it." he said, "They had opened each and every box and taken off the

#### ■ 8th Hijacking to Taiwan

A Chinese businessman armed with a surgeon's knife hijacked a Chinese airliner to Taiwan on Wednesday, the police said. It was the eighth hijacking from China to Taiwan this year.

The hijacker surrendered and was ar-rested, and the MD-82 airliner, which landed safely with 129 passengers and eight crew members, was allowed to leave

one was over a word.

Mr. Keating had called Mr. Ma-

hathir a "recalcitrant" for boycott-

ing a conference of Pacific leaders

in Scattle last month at which Pres-

ident Bill Clinton was the host,

# Don't Act Alone, China Tells Britain

HONG KONG - China offered a carrot and a stick to Britain on Wednesday in the dispute over reform and permit the talks to re-

Hong Kong's political future. The Chinese conditionally offered to resume their dialogue with Britain over a set of reforms proposed by Governor Chris Patten and issued a blunt warning that talks were dead if Hong Kong went ahead with even the most modest

reforms without Beijing's approval In London, the former chief British negotiator for the colony, Sir Percy Cradock, urged his country to back down, saying it would be foolhardy not to.

"Unilateral action and confrontation with China would be more damaging to Hong Kong io its special circumstances than a negotiated settlement," he told Parlia-

ment's Foreign Affairs Committee. Sir Percy oegotiated the 1984 Chinese-British Joint Declaration on the handover of Hong Kong to China in 1997. In the present dispute, China claims that Britain. with its late-coming democratic reform proposals, is violating the 1984 agreement.

a ploy to extend British influence in Hong Kong. Sir Percy said China was serious Japan Will Shift

in its threat to dismantle Hong Kong's legislature in 1997 if Mr. Patten pushes through his plan to let the colony elect the majority of its Legislative Council, the colonial parliament, for the first time in 1995.

As a result, he said, Britain risks undermining democracy, the rule of law and the attributes of a liberal society if it insists on regarding democracy as the only virtue worth pursuing.

"If the effect of instituting an extension of democracy in the face of violent Chioese opposition is only to provoke a vicious backlash and damage the longer-term pros-pects for democracy, as well as endangering other freedoms and stability itself, then the virtue ceases to be one and becomes a serious

In a speech Wednesday, Mr. that he would submit unilateral re-Keating said that his remark about form proposals after a 17th round Mr. Mahathir was oot intended to of talks with Beijing ended in dead-lock. China said his move had The Australian foreign minister, killed off any chance of a negotiated settlement.

In Hong Kong on Wednesday. Chioese sources said Beijing would resume talks about on the colony's democratic future and permit a concession if Mr. Patten postponed introducing his partial reform bill to the colony's legislature. Beijing would go further and ap-

fense Agency plans to transfer troops stationed in Hokkaido, Ja-pan's northern island, to Honshu on the maio island and the south-

Wednesday.

ern island of Kyushu for military exercises, the newspaper Yomiuri defect," Sir Percy said. Mr. Patten said last Thursday Shimbun reported, citing agency The newspaper quoted agency officials as saying that the revisions

were meant to respond to eased tensions following the demise of the Soviet Union and volatile developments on the Korean Peninsula that could affect national secu-The Hokkaido military exercises

constitute one of the army's largest manueuvers, the newspaper said. A Defense Agency spokesman declined to confirm the report.



TASTE OF FREEDOM - Charles Walton, an American linguist who was held captive by Muslim extremists for 24 days in the southern Philippines, arriving Wednesday in Manifa. Mr. Walton, 60, was kept in a 4-by-8-foot but said he was treated "acceptably well" by his captors.

#### LANGKAWI, Malaysia - northwestern resort island just Prime Minister Mahathir bin Mosouth of Thailand. "Why split hairs?" he added. hamad of Malaysia said Wednesday that he could accept Paul Keat-ing's statement of regret for calling was sufficient for the apology Ma-

Australian's 'Regret'

Is Enough for Mahathir

him a "recalcitrant' - a signal he laysia has demanded over the curimay be ready to defuse a quarrel with Australia.

But the Malaysian leader said he was not sure his cabinet would agree to end the diplomatic crisis when it meets Saturday without an outright apology from Mr. Keat-ing the Australian prime minister. "It's people's feelings, I have no control over them," Mr. Mahathir

said, referring to his ministers, some of whom have called for stroog retaliatory measures against Nevertheless, political analysts said the cabinet always took its cue

from Mr. Mahathir, who has led Malaysia for 12 years.

"If he has expressed his regret, that goes further" than the expresses we are happy," Mr. Mahathir said sion of regret. (Reuters, AFP)

Gareth Evans, warned Malaysia on Wednesday that it risked negative consequences if it escalated the diplomatic dispute. "No reasonable further step can be asked of the prime minister." he

said. "No statement can be asked

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# The Challenge of Growth

While the rising strength of the U.S. economy was particularly helpful to those who found jobs last month, it was also deeply welcome at the White House. Within the Democratic Party, the long dispute over basic strategy has now been settled by the unemployment figures, especially the unusual drop in the November rate announced on Friday.

Last winter the Clinton administration decided essentially to press for a lower budget deficit and count on the resulting decline in interest rates to produce economic growth. But in a concession to its critics within the party, it also proposed a small stimulus program of the traditional sort — increased spending to encourage more spending. Congress killed the stimulus, and from last spring through October the unemployment rate seemed to be stuck just under 7 percent of the labor force. But there have been many signs of accelerating strength in the economy, and the latest is the drop of the rate to 6.4 percent.

It is particularly gratifying to see the even sharper drop in unemployment in California, which has been afflicted with the highest rate by far of any of the big states. It fell from 9.8 percent in October to 8.6 percent last month, still high but an enormous improvement. The California rate can be read as a good indicator

of the country's progress in adjusting to the cuts in military spending.

North America is now the fortunate exception in the industrial world. Unemployment is rising ominously in Japan and Europe. But it fell last month in Canada (to 11 percent) and in the United States. One major reason for America's relatively slow growth is the recession that continues to grip the richest of the markets into which American companies export.

The next question is whether the Clinton strategy can be sustained. One concern is that accelerating growth will incite fears of inflation and send those crucial interest rates up again. That is not yet happening. Even so, the present

growth probably will not be sustained.

It is being fueled chiefly by consumers' spending, which has been rising faster than the same consumers' income. The Christmas shopping season is off to a good start in the stores, because Americans are once again going into their savings, which are notoriously low to begin with. That is the real challenge for American economic strategy - how to keep growth and employment up while increasing savings and investment at the ex-pense of the high consumption to which the U.S. economy is accustomed.

- THE WASHINGTON POST.

# **Escobar Was Only One**

Pablo Escobar Gaviria is dead, gunned down by Colombian security forces as he fled a hideout in Medellin, his hometown and the base of his former international drug empire. The fugitive who once controlled by violence most of the bemisphere's cocaine traffic has himself died violently.

Regrettably, however, the demise of one powerful drug tord will not bring much relief to societies victimized by the drug trade. Market control in cocaine has already passed to a cartel based in Cali, another Colombian city. Even if the suppliers' identities have changed, demand from users remains insatiable.

Competition and revenge had almost as much to do with Mr. Escobar's fall as the paramilitary manhunt that finally caught him. Estranged business associates and competitors, along with other targets of his terror, formed People Persecuted by Escobar, a group of vigilante bands that helped track his

whereabouts and punish his allies. The law was always several steps behind him, as it has routinely been with the drug trade generally.

Still, the pursuit of Mr. Escobar was a worthy undertaking for a nation that has struggled, and often failed, to muster the will to stand up to its drug emperors. Colombia's credibility suffered deeply when officials appeased Mr. Escobar even as they briefly held him prisoner — showering him with comforts. guards of his own choosing, and even the equipment to carry on his criminal trade.

Perhaps this conspicuous success will revive Colombia's courage. For the United States and other narcotics-consuming countries, the re-moval of one drug monopolist can bring scant comfort, Instead it should bring new realization that catching suppliers is no panacea. The other great need is to treat and reduce the numbers of those who demand the drugs.

- THE NEW YORK TIMES.

# Keep North America and Europe Engaged in Asia

KUALA LUMPUR — Whether on not there is a successful outcome to the Uruguay Round of negotiations by next Wednesday, world trade will never be completely free. It will remain a mixture of free and managed trade. Of course, failure of the Uruguay Round would be disastrous. It would slowly but surely divide the world into blocs.

In that unhappy event, from a Southeast Asian perspective, a two-bloc world - with the Asia-Pacific including North America as one economic bloc and Europe as the other — would be much better than three-bloc world. with the Pacific divided down the middle.

If the Asia-Pacific stays as one bloc, Europe would eventually be marginalized. The size of the Asia-Pacific and the dynamism of many of its national economies would enable the region to grow regardless of European protectionism, although everyone would be slowed down as a result. But Europe would lose much more, and after some years would be forced to reopen its economy.

If the Pacific is divided as a result of a Uruguay Round failure, the consequences could be horrendous. We might still be able to muddle through. But we might not. If international relations turn sour, trade wars can break out. A new great depression in the world would be possible. Like the last great depression, a new one would trigger a chain of political upheavals that could lead to war.

Thus the success of the Uruguay Round is a touchstone of mankind's ability to compete and cooperate within an agreed global framework. It does not mean, however, that we will then live happily ever after. Indeed, there are fundamental shifts in the global power balance which must lead to political conflicts of one kind or another.

Among analysts there is now broad consensus that, barring a major catastrophe, the world's economic center of gravity will shift decisively to East Asia some time in the first half of the next century. There is every possibility that the size of China's economy alone will overtake that of the United States within two or three decades.

Such an economic shift will have far-reaching strategie consequences. It will change the political and military balance of the world in a profound way. A transformation of such proportions has never taken place in history without accompanying wars and revolutions.
The last few centuries of Western domina-

tion have affected every aspect of life in Asia, Now the historical pendulum is inexorably swinging back to Asia, first to East Asia and eventually to South Asia as well. Just as the rise of the West was accompanied by innumerable conflicts among Westerners and between Westerners and others, so the resurgence of the East will be as tumultuous. Of course, one hopes that mankind bas

By George Yeo The writer is Singapore's minister for information and the arts, and second minister for foreign offairs.

learned from the lessons of history and will find ways to avoid major wars. After all, a major war in which nuclear weapons are exchanged would end civilization as we know it. But to assume that the swing of the pendulum back to Asia can be smooth is unrealistic and foolhardy. Such hope flies in the face of human experience.

We are beginning to feel the rumblings of trouble. The gloom in Europe and the growing self-doubt in America are part of it. For Europeans to be talking seriously about reducing the workweek in order to share out the work available shows how deeply pessimistic they have become. The public mood is turning toward economic protectionism to save jobs. In America, Ross Perot's opposition to the North American Free Trade Agreement tapped widespread grass-root support. Without Republican backing, President Bill Clinton had no chance of getting Congress to pass NAFTA.

Anti-Asian sentiment is on the rise in Euroce and North America. Domestically, there is growing racism against Asian immigra because they work harder and save more.

An intricate theology is being constructed in the West to justify why it is no longer possible to compete with Asians under the old rules. It is claimed that Asians have lower social standards, that Asian workers are donied human rights and that prison labor is used. It is also asserted that economic growth in Asia is at the expense of the environment, and that the cohesiveness of many Asian societies is proof that they are authoritarian

and do not practice genuine democracy.

Thus an inwitting alliance of protectionists, socialists, human rights activists, environmentalists and liberal democrats is gathering in the West, all opposed to free trade. These are dangerous ideas against which leaders such as President Clinton and Chancellor Helmut Kohl of Germany are fighting. We must encourage Mr. Clinton in his sunport of the Asia-Pacific Economic Cooperation forum. We must also encourage him in his effort to build a constructive relationship

growing insecurity of the West by adding fuch to the fire. In particular, we must never become anti-White ourselves.

The East Asia Economic Caucus idea was problematic because while many of us might have seen initial American opposition to it as being anti-Asian, many North Americans and Australasians probably saw it as anti-white. The problem is not intellectual but emotional.

If East and West retreat into racial positions, serious conflicts will be inevitable. It is far better for us if Americans and Europeans remain engaged in Asia and have a share in Asian growth and prosperity. Of course, we must expect them to exploit the natural divi-sions in Asia, and use Asians against Asians. Indeed, from an Asian perspective, such a

rational response by the West to the rise of the East is much better than an emotional response. There is then scope for bargaining

This comment was adapted by the International Herald Tribune from an address delivered on Tuesday at the Pacific Rim Business Collaboration Symposium in Kuala Lumpur.

### In a World of Blocs, East Asians Should Work Together

between China and the United States. We in

KUALA LUMPUR — East Asia has achieved remarkable success and demonstrated resilient economic growth, but the future is full of uncertainties. Calamities are always possible even for those with brilliant

records. Japan is the current example.

It is, therefore, all the more imperative for nations of East Asia to work together in a more integrated and cohesive manner. The concept of an East Asia Economic Caucus must be firmed up further. The caucus is GATT-consistent and is committed to free trade. It is a By Mahathir bin Mohamad The writer is prime minister of Malaysia.

result of, and intended for, open regionalism. The caucus recognizes the need for regional cooperation while it promotes free trade. Countries of East Asia must work together. The need to balance regional groupings elsewhere is obvious. Alone, no Asian country can match the combined clout of the group-



By TURGUT in Le Monda (Paris), C&W Symbicate.

No one need fear an Asian grouping Euro-peans and North Americans are much more homogenous than Asians. Even in East Asia, we are not only ethnically different, we are also divided by culture, language and religion. It is quite impossible for Asians to think of themselves the way Europeans think of themselves as being of one race and one color. Indeed, European culture and language have common origins. So the idea of an integrated Asian Community borders on the ridiculous. Not so an Asian or an East Asian forum or

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caucus, designed to discuss common economic problems and, to a limited extend, to help ill up those East Asian countries that are lagging behind. Such an approach can be motivated by enlighteoed self-interest. If today Southeast Asia is one of Japan's valuable markets, it is because Japan invested in the region's countries and helped them to develop. The highly successful economies of East Asia will be helping themselves when they help the less developed nations in the region to grow and prosper. Forming an East Asian Economic Caucus is therefore a logical sequel to the economic interaction in the region since World War II. It would be good for governments, growth and business.

This comment was adapted from an address on Sunday at the opening of the Pacific Rim Business Collaboration Symposium.

# **National Biological Survey**

The House of Representatives has passed egislation authorizing an inventory of all plant and animal species across the United States. In advance of the authorization, Congress has approved use of Interior Departnent funds to start work on the project this year. The National Biological Survey is envisioned by Interior Secretary Bruce Babbitt and other advocates as an early-warning system that could produce more rational enforcement of the Endangered Species Act.

The good idea has run into opposition from onservatives in Congress and elsewhere. They, too, think it might serve to strengthen the species act, which is not their goal. The Endangered Species Act has become in recent years the all-purpose last-ditch environmental protection statute. When the timbering laws turned out to be too equivocal (or poorly enforced) to save the old-growth forests in the Northwest, the Endangered Species Act was invoked as a kind of proxy in their place —

and that is only one of many examples. The trouble is that such stopgap use of the act also exposes it to caricature. Suddenly you will have an entire industry being held hostage to an obscure animal -an owl, a tiny fish with a funny name - that hardly anyone but professional biologists had beard of the day before.

Never mind that the animal is said to be an indicator species, itself an early warning that an entire ecosystem is endangered. The owl is still putting people out of work; that is the cartoon. It is also the rap that Mr. Babbitt would seek to avoid by broadening the debate and having it earlier when the affected industry and the government both have greater room for maneuver.

That maneuvering room is what the survey is meant to produce. The government already does many similar, but more specialized, studies to determine when species are in trouble. It happens in fisheries to prevent overfishing and the depletion of that resource; it happens on wildlife refuges so that the government can know how much grazing to permit and how much forage and cover need to be reserved. Critics have said the survey could lead to a vast new federal intrusion into private properfederal declaration of war on private property, when in fact it is an effort to achieve peace. Mr. Babbitt believes it is possible to have strong advance enforcement of the Endangered Species Act without the crises that have made the act notorious in the past. That is the intriguing proposition here. Congress should make it possible for him to test it.

- THE WASHINGTON POST.

# Central Europe: NATO Membership Won't Solve the Problem

WASHINGTON — Geography is history, especially for the nations of Central Europe. That is why they reach out from their dangerous location seeking a beloing hand from across the Atlantic.

The help that the Poles, Czechs

and Hungarians seek is membership in NATO. They continue to press for membership even though they know that the Clinton administration will temporize on their demand at the NATO summit in Brussels in January.

Their quest is noble, their concern understandable. Living between the Germans and the Russians has taught optimistic about human nature. They hope that the American nuclear un-brella that would come with NATO

membership can break geography's stranglehold on their tragic history. For Warsaw, Prague and Budapest. NATO membership is a metaphor, the only available meaningful declaration of independence from Moscow. NATO is a way to express their determination to exist as inde-

pendent states. The West has an enormous obliga-tion toward the peoples who bore the By Jim Hoagland

brunt of Soviet occupation through the Cold War. But that obligation does not include basing long-term security policies on metaphors. In Western capitals, NATO membership for former Soviet satellites

has also become a useful symbol in a spirited debate that is really about the future of Russia. If you think that reform in Russia is sure to fail and the big bad bear will soon again seek to dominate Central Europe, you ex-press your concern by calling for the immediate accession of Central Europe to NATO.

Henry Kissinger, at the pessimistic end of the spectrum, argues that waiting to take the Central Europeans into NATO will only make it harder to confront the Russians when they recover their imperialist imperative. Moscow cannot be allowed to continuc to bold its neighbors in a Russian sphere of influence by vetoing their membership in a Western alliance.

new mission and personality for NATO to save the Cold War alliance from obsolescence. Public opinion will support NATO only if it takes on new and noble tasks, they argue. At the other end of the spectrum from Mr. Kissinger is his cleverest successor, James Baker, who favors a

rope, Ukraine and Russia, The exercise, he indicated in a recent opinion page article, should be managed to guarantee the success of reform in Moscow, not to endanger it. Baker the opinion-page writer calls for a clarity and specificity on criteria for NATO membership that Baker the diplomat would never have practiced

phased "road map" for step-by-step NATO membership for Central Eu-

ton's "Partnership in Peace" proposal.
The Clinton proposal for the NATO summit extends increased military
cooperation between NATO members and the Central Europeans. But it is

fuzzy about the timing and nature of

membership for the states that have

emerged from the shattered Soviet bloc. They will have to accomplish significant economic and political reform, but specific criteria for eventual membership are not listed. There are two points on which clar-

ity is needed as the debate intensifies in the run-up to the summit. They indicate why NATO should go slow now. Moreover, they have nothing to do with Russian sensitivities or demands for influence in Central Europe. Those demands, as Mr. Kissinger rightly notes, should not be llowed to determine U.S. policy. First is what "membership" in

NATO means. This is where the metaphorical quality of much of the debate clouds understanding. The essential definition of membership is contained in Article 5 of the North Atlantic Treaty, which commits all members to fight alongside the others in the event of an attack on any one of them.

Is the American public ready to take on new and serious obligations to protect the territorial integrity of the Poles, Czechs and Hungarians in the wake of the Cold War? The Clinton administration does not think so. Extending NATO membership eastward

sary political support at home would be the equivalent of the empty guarantees that Britain and France gave to Poland on the eve of World War IL.

Second comes NATO's own need to redefine itself around a shrinking American presence in Europe and a growing European role in NATO. The essential task is to find a way to give a united Germany a more substantial military role beyond its borders, in a NATO context, without encouraging a rebirth of German militarism. This balance needs to be achieved before new members are brought into an organization that already has great diffi-

culty in achieving consensus.

"Partnership in Peace" adds up to letting the Central Europeans down easy for now. But their concerns, and their history, must not be overlooked as NATO re-creates itself for a changed world. The Central Europeans cannot be allowed simply to disappear back into their tragic geography. They do oot need the quick symbolic fix of a NATO label. They and the Atlantic community need to work for a steady expansion of a solid base for security.

The Washington Post.

U.S. exports to Iran this year, in spite

of a long-standing trade embargo.
The recent warnings by President
Bill Clinton and Secretary of State

Warren Christopher that Iran would

be held responsible for its sponsorship

of terrorism are promising. At the mo-ment, however, one can only hope that

#### Other Comment

#### **GATT: The Havoc of Failure**

If the Uruguay Round fails, all the ingredieass for a rapid deterioration in world trade will be in place. No longer united by the need to contain communism, the big economic powers would feel free each to act on a narrow new of its own interests - even if that meant falling our with its former allies. There can be ittle doubt about the far-reaching effects that trade war might eventually bave.

Once the perverse logic of a trade war had taken hold, its discord would echo through NATO and the Western alliance Tensions between economic liberals and interventionists in Europe would become intolerable. In Asia, Japan and the United States would vie for spheres of influence.

Developing countries that could might try to join the trading sphere of one or more of the big powers. Those that failed would face misery. - The Economist (London).

A New Center for Italy

G

i nu

The runoff mayoral elections in five of Italy's biggest caues have one common winner: reason. Not because the left won, but secause the neofascist Italian Social Movement lost. However, the results were by no means a total disaster for the right, and

clearly highlighted the continuing trend toward polarization in Italian politics.

For the sake of Italy, it is to be hoped that the representatives of the old political estab-

the emergence of a new political center. Otherwise, reason may not triumph in next year's parhamentary elections.

- Neue Zircher Zenung (Zurich). Revamping the USIA

A combination of the Cold War's end and President Bill Clinton's attempts to cut the budget deficit have accelerated the pace at which the United States is altering its policy voice. The U.S. Information Agency, which in other countries might be described as a propaganda machine, is in the early stages of revamping its mission and its mode of operauons. The effort is entirely appropriate.

The United States needs ears as well as a voice, and the USIA can play a helpful role in appraising global political and economic deelopments, offering forums for the exchange of ideas around a world that is in a state of flux. In this new world, information remains the essential ingredient in formulating international policy. A revamped USIA has significant responsibility in such a world.

— The Boston Globe.



International Herald Tribune KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER

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lishment will now step aside and not obstruct BENNINGTON, Vermont — President Bill Clinton's meeting with Salman Rushdie last month inspires me to tell of my own experi-ence with Iranian terrorism.

On June 10, an FBI agent came to my house to inform me that I was on a hit list of the Islamic Republic of Iran. He revealed that the list had been passed on by "a friendly coun-try" and that U.S. authorities sudged it serious enough to warrant his visit. He added that only three of the 200 people on the list lived in America. After regaining my balance, I asked him to elaborate on the source and credibility of his information. He replied that he did not know anything

else. He expressed sympathy but could not offer any advice or protection. He gave me his telephone number and encouraged me to call him if I had anything to report. Since then, I have been able to live without excessive concern for safety. I may be in danger, but I believe I still feel more secure in my environment

than the paranoid guardians of the Islamic Republic do in theirs. That Tehran's theocrats have the audacity to arrange the assassination of Iranian dissidents abroad is not news, but the existence of a list of targets that includes someone like me was a complete surprise. The idea that I could be perceived as a threat to Iran was beyond my imagination. for I am a naturalized American citizen and have no affiliation with any

exile or expatriate group.

I work with a number of human rights organizations, but my 30-year involvement in that cause has never been limited to Iran,

l abhor political violence, even against a violent state like Iran, and when I analyze the character and policies of the Islamic regime, I try to do so in a nonbelligerent fashion. Government officials in Tehran must be aware of these facts, because

l periodically appear as a commenta-

tor on the Persian-language programs of the BBC and the Voice of America.

do with the political weight of its tar-

gets. Iran's campaign of terror abroad is intended to demonstrate that the

But clearly, the hit list has little to

In the middle are Senator Richard Lugar, Republican of Indiana, and Manfred Worner, the activist NATO secretary-general. They both seek a

in such a fluid situation. A spirit of creative ambiguity not unknown to Mr. Baker infuses President Bill Clin-

# Iran: Normal Relations Should Mean No More Murders Abroad

By Mansour Farhang

ruling clerics are not afraid of Westem governments and can eliminate their critics wherever they live. Since the founding of the Islamic Republic in 1979, 59 exiled Iranian sidents have been assassinated: 10 in France, nine in Pakistan, eight in Turkey, seven in Germany, seven in Austria, six in Iraq, three in England, two each in Switzerland and Italy, and one each in Sweden, Cyprus, the United States, the Philippines and Dubai. In addition, Hitoshi Igarashi, the Japanese translator of Mr. Rushdie's book "The Satanic Verses," was killed in Tokyo in July 1991. Ettore

So far, the regime has committed murder abroad with impunity.

Capriolo, the Italian translator, was wounded in a stabbing in Milan the same month. Last month the book's Norwegian publisher, William Nygaard, was shot and wounded outside his home in Oslo, In France, Germany and Switzerland, court cases are pending against Iranian agents accused of killing other Iranians.

The "friendly country" that passed on the hit list to the FBI, I later learned, was Germany. The list was also given to French and British security services, because many of those named on it live in those countries. The document was found by police

investigators in the home of an Iranian employee of the Islamic Republic's embassy in Bonn. He had been arrested as a suspect in the September 1992 machine-gunning of four Iranian Kurds in Berlin. The only dissident assassinated in the United States was Ali Akbar Ta-

Iranian Embassy m Washiogton. He was shot to death in July 1980 at the front door of his house in Maryland by a man posing as a mail carrier. The police investigation revealed that the suspect was David Belfield. also known as Daoud Salahuddin, a

batabai, a former press attaché of the

convert to Islam who was an employee of the Iran interest section at the Algerian Embassy in Washington. He fled to Canada, then flew to Iran and has been living there ever since. He was indicted in America and a warrant was issued for his arrest.

In 1986, after the Iran-contra revelations, the Reagan administration concocted the notion of a moderate faction in the Iranian regime to justify its secret arms sales to Ayatollah Ruhollah Khomeini. To keep that fiction alive a number of American dreamers among the ranks of journal-ists and foreign affairs experts chose to attribute Iran's international ter-

rorism, including the assassinations.
to rogue elements in the regime.
Evidence suggests that Iran's terrorism abroad, like its despotism and anti-Americanism at bome, emanates from the highest level of the regime. Tehran's theocrats seem to be frozen in the belief, inherited from Ayatol-lah Khomeini, that their survival depends on remaining intransigent toward the West. All elements of the regime are united in this view.

Emerging internal disputes on eco-

nomic priorities might some day lead to conflict or diversity on foreign and domestic policies, but such a development is not yet on the horizon.

The CIA believes that President Hashemi Rafsanjani and the spiritual leader, Ayatollah Sayed Ali Khamenei, personally approve every tar-

get and plan of assassination abroad.

his was the case when Ayatollah

Khomeini was at the belm. So far, the regime has committed murder abroad with impunity. The death threat against Mr. Rushdie is the most publicized example of how Iran treats dissent, but he has at least received a worldwide hearing for his plight. His Iranian counterparts have to suffer or die in anonymity.

Repeated appeals to the United Nations secretary-general to question Iran about the assassination of dissidents abroad remain unanswered. European countries do not yet see that they have an interest in confronting Iran's criminal acts on their soil. the camp of Langensalza. The prison-

Maintaining access to Iran's oil and consumer markets seems to super-

sede any other concern. In 1991, President François Mitterrand accepted an invitation to visit Iran even though by that time seven Iranian dissidents had been killed in France. It was only the undisputed connection of Mr. Bakhtiar's assassins to the government of Iran that ontraged the public and forced the president to cancel his trip.

president to cancel his trip.

The American position toward the assassination campaign has been discouraging. The State Department has yet to ask Iran publicly why it has given refuge to Mr. Belfield.

The Reagan administration's exchange of arms for hostages with Ayatollah Khomeini produced such cynicism among Tehran's ruling derics that they hardly take Washington's pronouncements seriously. For fur-

pronouncements seriously. For further evidence that they do not need to, consider the estimated SI billion in

the administration will reject the cynical practices of its Republican predecessors and initiate a more principled policy toward the Islamic Republic. To be sure, re-establishment of normal diplomatic and economic re-lations ought to be the goal of the new policy. But rapprochement would be unconscionable without an unconditional termination of Iran's

support for terrorism. The writer, professor of politics at Bennington College, is on the advisory board of Middle East Watch. He contributed this comment to The New

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Boiling the Bodies

CHICAGO — The police of Chicago are looking for a law against boiling human bodies, but can find none. Some time ago Chinese representatives made arrangements to deport bodies of their countrymen that had been buried in Graceland Cemetery. In preparing them for shipment the bodies must be boiled, and this process is objected to by residents neighboring a shanty built on a vacant lot. Forty-six bodies remain to be pre-pared. Officers are watching the shanty and the authorities propose to

stop the practice, iaw or no law. 1918: Prisoners Killed

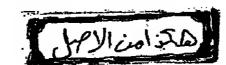
PARIS - A Havas note states that the Germans have added a particularly odious crime to the already long list of their atrocities. Without the slightest reason or excuse nine French prisoners have been killed and 15 seriously wounded by their guards at

And the second s

ers were chatting in a group about the probability of their early liberation, when, in obedience to an order given by a German officer, apparently in a paroxysm of sanguinary fury over the defeat of Germany, a prison guard opened fire on them.

1943: Lightning Reply PEARL HARBOR - From our

New York edition: American carrier planes, sweeping into the heavily de-lended Japanese-mandated Marshall Islands, have sunk six Japanese ships, including two light cruisers; damaged four other vessels and destroyed more than seventy-two enemy planes, the Pacific Fleet commander announced today [Dec. 9]. The United States forces suffered only minor damage to one ship and light aircraft losses in the attack. Torpedo bombers and dive bombers blasted the four bases in less than ten minutes, sinking or damaging a ship a minute, while strong naval forces fought off furious Japanese retaliation.



mai men and women feel only revulsion to discover their collective hrutality. So let raped women and their loved By William Pfaff

Real Reform for Italy, or Else Real Extremism

enuntry after the next parliamentary elections, presumably in the spring. Its leader, Achille Occhetto, says that the Democratic Party of the Left is ready to govern the country "as part of a large democratic alliance" of

the country's new reform forces. In northern Italy, the metamorphosized Communists are now the principal rival to the separatist Northern League, which was also very successful in these local elections. The fascists - the Italian Social Movement — have largely taken over from the Christian Democrats in the South. lo Rome it appears that three out of four former Christian Democrat supporters voted for the fascist candidate for mayor.

The winner in Rome, however, was an ecologist supported by the ex-Commuoist Party, but no political novice. He is an architect who was previously elected three times to Parliament and is the former enviranment minister.

The new strength of the fascists seems less sustainable than that which the PDS possesses as the core of an inevitable regrouping of leftist and center-left forces. The fascists' leader, Gianfranco Fini, calls himself "post-fascist," There is truth in this because he represents a generational leap in the leadership succesion of a party originally created by survivors of Mussolini's squalid Salo Republic — the hrief regime set up in Northern Italy after Mussolini's rescue from imprisonment by German parachutists.

Mr. Fini denies that his movement is racist, though it wishes strict control of immigration. It is, he says, European, but he also defends Italian national unity against the separatism that has become so important a

force in the North. He wants to change the party name and recruit centrist allies to claim a leading place in a national regrouping of moderate-to-conservative forces.

However, to do that, he has to overcome the other and more convincing effort to regroup the center-right and conservative right that is taking place around the figure of the Christian Democratic reformer Mano Segni.

Thus it is not extremism that has broken out in Italy. The extremes have profited from the breakdown of the center, but want to occupy the center's ground. The vote that has taken place is one more expression of the anger of Italians against the political system that dominated and corrupted their country throughout the Cold War. The question now is not whether new or reformed parties will succeed in reassembling the moderates. Obriously that will take place. The questions are when this will happen, and who will lead the new groupings.

If these prove merely to be new versions of the discredited parties, a true extremism may indeed emerge. The habits and systems of corruption, evasion and dissimulation go very deep in Italian society and will be difficult to end. They have their origins in centuries of survival under foreign invaders and foreign rulers. The system of the past 40 years was a very Italian system, even if it was kept in place by the Cold War.

Can there be true reform? New or reformed parties that stay free of corruption and conspiracy? Italy is slowly getting new electoral and constitutional arrangements that will contribute to that end. But the eventual outcome remains unsure. There has to be successful reform if the public's anger is not to take more violent expression. In that respect, the principal significance of the elections just concluded is as a warning.

International Herald Tribune. O Los Angeles Times Syndicate.

#### LETTERS TO THE EDITOR

### Blaming the Victims

P ARIS — The successes of ex-Communists and neofascists in Italy's local elections last weekend

does not mean what they might seem to mean. Italy's

Communists are no longer Communist, and its fascists

Their victories were in part for lack of acceptable alternatives. Both of the former mainstream parties,

the Christian Democrats and the Socialists, are in ruins

because of their gross implication in the corruption of

Italian political life over the past four decades. Former

Christian Democrats thus have voted for the neo-fascists to keep out the Communists, and Socialists and

other leftists have voted for the farmer Communist

Party - now known as the Democratic Party of the

Left (PDS in Italian) — in order to block the fascists.

But communism isn't what it used to be, Indeed, to

be more exact, it simply isn't. The ideology is dead.

Communism no longer inspires fear among Italians as

an agency of foreign domination. The prospective

dominator has collapsed, too. There is no U.S.S.R. In

any case, the Italian party had begun in set itself apart

from Moscow as early as the mid-1970s, when it annunced itself "Eurocommunist" and a candidate

for participation in an anticipated Christian Demo-

cratic "opening to the left."

The Communists probably are lucky that did not

happen because, had they joined a governing coalition

with the Christian Democrats, they undoubtedly

would have been swept into the prevailing system of corruption. As it is, their record in power in Italy —

The ex-Communists' success today is also a result of the fact that theirs still is a national party with a

national membership of activists willing to get out the vote. The PDS now is a plausible candidate in lead the

mainly municipal power — is very good.

are both less and more than fascist.

Many Muslim women in the former Yugoslavia live in fear of being called upoo to testify at the United Nations war crimes trials in The Hague. These women have not admitted to being raped, not even to their mothers, much less to their fathers, husbands or brothers. For, if publicly exposed as rape victims, they risk being cast out by their own people. In their culture, as in some others, a woman who has been raped is considered in have brought shame upon her family.

Do not Muslim men realize that this very code of "honor" invites and perpetuates abuse? These men become accomplices in the attacks upon their leved ones. Thus they are, if unwittingly, aiding and abetting the enemy.

How can being victimized be confused with being shamed? Shame comes not from what is done to us, but from what we do, how we behave. Being raped is abviously not something a woman does,

She had no choice, on power, The one whom rape really shames is the rapist. No matter that he may claim to have acted under duress, he is exposed as weak, primitive, a creature for whom norand contempt. His crime also shames his parents - how must it feel to have raised a rapist? - and his people. What horror

ones be hailed as the heroioes and heroes of their people, honored as highly as the men who fall in battle, as martyrs. Then, justice for the rapists would not spell doom for their victims,

S. L. SCHWARTZ.

The UN and Somalia

The United Nations Operation in Somalia, or Unosom, is now the de facto central government of that country, whether or not it admits to this, and conducts itself accordingly. After the country disintegrated into enclaves con-trolled by militias, the UN became the only body actively present in the region and with the necessary financial, military and logistical resources to get fragmented Somalia back together; united, reconciled

and ready to pick up the pieces. Despite its human and organizational defects and shortcomings - poor coordination, loss of momentum for peacemaking, unnecessary concentration in Mogadishu (usually at the expense of the other regions and programs) and lack of deci-siveoess and resolve in dealing with rogue warlords - Unosom is still the best thing that could happen to Somalia.

Thanks to the UN presence, there is no looger large-scale starvation or significant clan fighting anywhere in Somalia today; there is relative peace, stability, rehabilitation and reconciliation in all the regions nutside Mogadi-

shu. Elections for district and reginnal councils are taking place in many parts

of the country.
Unosom should systematically consult and involve the appropriate Somali intelligentsia (those experienced, credi-hle personalities with high integrity and clean records) at the national level, so as to assist in the search for adequate "Somali solutions for Somali problems."

VICKIE WOOD.

#### Everybody's Business

Regarding "The Artist's Private Trials Are Nane of Our Business" (Opinion, Nov. 17) by Jonathan Yardley:

I write you as one of the producers of "Tom and Viv," the motion picture savaged by Mr. Yardley. Here is a journalist criticizing a film he has never seen based on a script he has oever read, on grounds allegedly attacks or intrudes into the

"Tom and Viv" is based no the play of the same title hy Michael Hastings, who also co-wrote our screenplay. Michael did lengthy research, and our film is based on facts that emerged from extensive interviews he conducted with Vivienne Haigh-Wood's hrother, Maurice, and many others. He also scrupulously researched the writings of Vivienne Haigh-Wood, T.S. Eliot and other members of their families.

The film is in no way an attack on the artistry or personal reputation of T.S. Eliot. Instead, we seek to convey an understanding of the degree to which Mr. Eliot's personal life affected his poetry. By understanding the peaks and troughs of his relationship with Vivienne, we gain insights into the nature

of the genius who gave us "Four Quar-

ters" and "The Wasteland." PETER SAMUELSON. Los Angeles.

Mr. Yardley condemns the director Brian Gilbert's film, based on the early 1980s play, "Tom and Vrv," about T. S. Eliot's first marriage. He has not seen the film and seems ignorant of the play. His own chitist logic seems to be that "it's O.K. for me and my insider friends to know what went on, but heaven forfend

that the masses should have a glimpse." None of our husiness? What of William Shakespeare's shoddily researched and sensationalistic treatment of great men in his historical plays? On what evidence did he drag Richard Ill's name through the mud? Was it not to make a few guineas and provide cheap thrills to riffraff at the Globe Theater?

And what does Mr. Yardley think of a Hollywood opportunist like Laurence Olivier turning this tasteless material into a melodramatic and violent film?

J. J. EVANS.

# This Gentle Reader Is Not Amused

B ELJING — People who know me wouldn't exactly call me tall. Or willowy. Or prone to getting my sources drunk, since I can barely hold my own when it comes to liquor. But according to a recent Chinese magazine

article, I am all these things and more, The article said that I stole or paid for confidential Chinese documents, and that I used my "feminine charms" to coax other secret materials from a Chinese official.

Had I been asked for a reaction. I would happily have pointed out to the author that all this is totally false. Unfortunately, the Chinese press, once the staid purveyor of grain statistics and dam-building feats, is taking a

#### MEANWHILE

cue from the supermarket tabloids of the West. Reporters are finding that sex crime and scandal sell. And so, even though I am eight months preg-nant, I was described as the Mata Hari of foreign journalists.

Since a decree last year that newsoapers and magazines would gradually ose all subsidies, editors have been scrambling to print stories that ordi-nary Chinese actually want to read. (One exception is the Communist Party mouthpiece, the People's Daily, which

is as boring as ever.)
Papers have splashed under on their front pages, or featured articles about lesbian lovers, men without testicles, "inside looks" at China's rich and famous. Foreign journalists, often depicted as spies by the government, are easy targers. Some Chinese publications fig-ure that most foreigners will not bother to read articles written in Chinese. And many ordinary Chinese still believe the government line that the motives of. many foreign journalists are suspect.

"People think your lives are so myste-

rious," one young Chinese reporter breathlessly told me.

The Chinese media, of course, have traditionally been a propaganda tool used by the Communist Party to educate the masses and disseminate the party line. These traditions endure; truth and accuracy are not relevant yardsticks. Libel laws are in their infancy. Nor is there a sense of generally accepted journalistic ethics - even among mainstream publications about things like quoting people in the words they actually used.

Jan Wong, a reporter here for the Toronto Globe and Mail, was interviewed recently by the China Women's Daily. When the article appeared, full of mistakes, it carried Ms. Wong's byline, not the reporter's. All the references were in the first person.

When Ms. Wong called to ask what had happened, the Chinese reporter replied: The last time I wrote a story in the third person, the editor changed it all to the first person. So I thought I might as well to save them the trouble." The same newspaper interviewed By Lena H. Sun

me in May for an article on women foreign correspondents. The final product bore no resemblance to what I said. Among other things, it described me as having had tears in my eyes when I said that I would like to interview Deng Xisoping, the senior leader. (I did say I wanted to interview Mr. Deng. but

was dry-eyed throughout the interview. When I asked the reporter what had happened, she acknowledged that she had had to make up "a little extra material" to cast me in a positive light There was no way she could publish what I really said, she told me.

One reason, as her editor later

pointed out, was that I had been accused by the government a year before of nhtaining state secrets. This spring, two Chinese friends of mine were sentenced to 10- and six-year jail terms for allegedly providing me with state secrets. The newspaper knew I was a politically incorrect subject. In the end, the editors allowed the profile in run, but left out a picture of me. Publishing my picture would have conferred too much official approval.

But nothing prepared me for the October issue of Reporters' Literature, a monthly run by some retired editors from the Hunan Daily. The article. entitled "Guard Against Stealing Se-crets Under the Gaise of 'Interviewing, "features three foreign reporters: a Hong Kong reporter who was de-tained briefly last year and expelled. the former Beijing correspondent for the Independent of London, who was expelled in 1991, and myself.

The part about me is entitled: "Confronted by more than 10 documents, the beautiful female reporter fell si-

lent." It describes me this way: "Her tall and slender body looks graceful. Although she is over 30, at a glance, she is still as charming as a young maiden in her twenties Since coming to China, the article

said. "in order to obtain timely political news, apart from making full use of her feminine charms, she has also used the common tactics of criminal elements — buying with money."

The article then describes a dinner

that I reportedly had with a Chinese official on May 16, 1991 —an account that speaks for itself: They came to a classy small snack

bar. Lena Sun repeatedly asked Director Zhang to drink. Director Zhang, who has no capacity for alcohol, soon got red in the face and became more talkative. With wine boosting his courage, he said: 'Great reporter, when you do reporting in Beijing, if you need anything, just come to me."

The next day, the story continues, Lena Sun appears, smiling, at Director Zhang's office. This time Director Zhang says nothing, but just opens the filing cabinet ...

Two days later, on May 18, accord- of The Washington Post.

ing to the magazine, a front-page story appeared in The Washington Post about "structural reform that a certain Chinese commission is about to implement." The magazine claims that this information was from a secret docu-ment, and that its publication caused

"great disadvantages to our work."
Need I say that there was an such story about China by me or anyone else in The Washington Post that day? Or that I have no record or memory of ever interviewing a Chinese official with this surname, much less of a dinner of that sort with any Chinese official?

Yet the story, however nonsensical, could greatly damage my work. At least one newspaper has reprinted the pornon about me. To make reporting trips, foreign journalists need permission from the local foreign affairs office. Their reaction, I am sure, will be to have

as little to do with me as possible. I called the magazine to ask about this article. It took two days of longdistance telephone calls to Changsha, the capital of Hunan Province. I was passed from person to person. Everyone professed ignorance. The editor in charge of the article was out of town. Each person who answered the tele-phone in the editor's office demanded to know what work unit I was from and wby I was calling.

"I wasn't the person in charge of this article," snapped a woman surnamed Huang. "If you have any problems, you can write a letter to the editor." she said. Then she hung up.

I sent a letter in early November demanding a retraction and a public apology. After many more calls to the magazine, I received a one-paragraph fax at my Beijing office in late November from a man named Sun Kai, who

claimed in be the author of the piece. "I am an amateur literature lover. This is my first attempt at writing reportage. I believe that writing reportage is different from normal news: reporting, and appropriate creation is allowed on the basis of real people and real events. Therefore, some events in this reportage of mine are fabricated.

effects, I hereby apologize."

It is not clear whether this person exists, or whether this was made up hy the magazine. The editors refuse to say. whether they will priot a retraction and apology.

Officials at the Foreign Ministry's Information Department, which is in charge of foreign correspondents, ap-peared surprised when shown the article. This does not represent the government's point of view," said Luo Chaohong, a first secretary.

"I've never even heard of this magazine," said Meng Xiangbin, another official. This is what happens when you have freedom of the press. We in can't control all these publications."

The writer is the Beijing bureau chief

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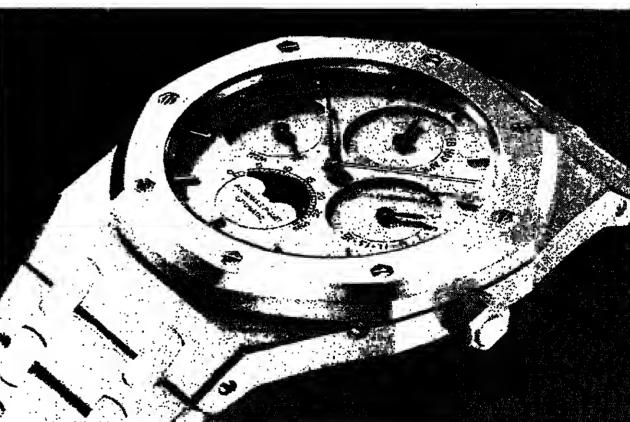
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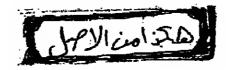
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Before Pistols,

How Did They

By John Noble Wilford

New York Times Service

Archaeologists have learned of this new facet of the ancient

Berkeley, described the findings this munth in a lecture at the

The discovery of this innovative starting mechanism, Dr. Miller

A certain professionalism had come to athletics. The status and

HE importance of sport in Greek society bad already been

revealed in previous excavations at Nemea. Beginning in

1974, Dr. Miller and a team of archaeologists uncovered

A site of Greek games, the archaeologists concluded from this and

For many years Dr. Miller was at a loss to explain the presence

from posts at either side. The wooden posts appeared to be set in

livelihood of the athletes depended on winning, and the Greeks, be said, were "doing everything they could to assure the fairness and

said, "shows very emphatically the frame of mind of Greeks of that

period, the evolution of sport and the society that produces it."

their naked bodies glistening with oil. They were re-

**Start Races?** 

another at the knees.

were starting pistols.

campus and in an interview.

objectivity of the races."

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**HEALTH / SCIENCE** 



# For Fusion, the Big Test

By Malcolm W. Browne New York Times Service

LAINSBORO, New Jersey - The promise of cheap, clean fusion energy is about to undergo an acid test as tritium fuel flows for the first time into America's most advanced

A landmark series of experiments, scheduled to begin before Christmas and end next Sentember, when the Plainsboro test reactor will be dismantled, could be either a giant step toward the dream of unlimited fusion energy or a blow that hobbles progress indefinitely.

The physicists supervising the experiment hope that they have correctly predicted what will bappen and that the thorniest problems have been overcome, "But this is a time of great anxiety for all of us," said Dr. Ronald C. Davidson, director of the Princeton Uni-

versity Plasma Physics Laboratory.

A successful run during the next few mnnths could encourage significant financing for future fusion research, but major snags could obstruct financial support and thwart American participation in an ambitious international fusion program.

A hydrogen fusion reaction of the type scientists are

hoping to create at the Princetoo reactor yields immense amounts of energy and produces oegligible amounts of radioactive waste; unlike a conventional nuclear fission reactor, a fusion reactor could oot mell down or release dangerous fission products, nor would it produce highly radioactive spent fuel.

Over the last decade, supported by \$1.4 billion in federal funds, the Princeton laboratory has run many thousands of physics experiments with its big Tokamak Fusion Test Reactor, but all were dry runs, using a heavy isotope of hydrogen called deuterium as the

To initiate a high-power reaction, a tokamak reactor needs tritium, a still heavier bydrogen isotope. (Tokamak is a Russian acronym for "toroidal magnetic chamber." Trials with tritium were delayed until this essential testing phase was completed because once tritium eoters the reactor the machine becomes radioactive and cannot be used again for deuterium experiments. Last month the moment of truth arrived as fullstrength, tritium-laced reactor fuel began to replace the deuterium surrogate.

RITIUM, a radioactive form of hydrogen community used in mioute quantities in luminous watch dials and exit signs, is essential to the high-power fusion reaction the scientists

After the tokamak has completed its tritium runs, it radioactivity to subside to levels safe enough for workers to dismantle it.

If all goes as planned, the five grams, or about onesixth of an nunce, of tritium fuel now being trickled into the reactor will produce a reaction temperature six times that of the sun's core, which is about 27 million degrees, and will yield power of about 10

Although this will be somewhat less than half the power the machine consumes to produce it, the yield will be the best that any experimental fusion reactor has yet achieved, and it will provide vital information needed for the design and construction of future

In a lusion reaction, the nuclei of hydrogen atoms, including ordinary hydrogen as well as its deuterium or tritium isotopes, are forced to merge. The single proton in each hydrogen ouelens joins with the proton of another hydrogen nucleus m produce an element with two protons in its nucleus — helium.

centered and stable.

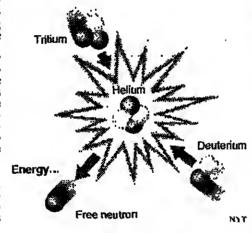
Although ordinary bydrogen atoms can be made to undergo fusion, the conditions needed to start a fusion reaction are much less demanding if deuterium atoms, which contain one neutron as well as a proton, are used. A mixture of tritium, with one proton and two neutrons io its nucleus, with deuterium, undergoes fusion even more easily.

If all goes well during the planned tests and if the U.S. Congress makes a long-term commitment to support a continuing fusion research program, scientists believe a commercial fusion power plant could begin operating by the year 2040.

But much will depend on the willingness of many governments — those of the United States, Japan, Russia and Western Europe - to cooperate in financing an advanced fusion reactor prototype called the International Thermonuclear Experimental Reactor. which scientists like in abbreviate as ITER, pronounced "eat air."

F IT works, the project would demnistrate the feasibility of igniting fuel in a sustained fusion reaction at 100 million degrees and producing far more electric power than the machine

Estimates of the cost of this international machine range up to \$11 billion, roughly the same as that of the



will be left to cool down for at least n year to allow its superconducting supercollider, the huge proton accelcrator that Congress voted to kill in October on the ground that it was too expensive.

Although a source of vast fusion power would have much greater economic impact than the pure research the supercollider would have made possible, Congress has been wary of fusion research in recent years. In 1991 it killed Princeton's projected \$1.8 billion Burning Plasma Experiment, which was intended to ignite a sustained fusion reaction.

"We ourselves may not live to see a commercial fusion reactor in operation," said Dr. Dale M. Meade, deputy director of the Princeton laboratory. "But we have a chance of leaving fusion energy technology to our grandchildren. It would be nice if they could inherit something besides deficits in energy and the

# China and Global Warming

By Philip M. Boffey New York Times Service

determined by China.

The United States is currently the world's leading tributor to global warming. But rapid economic take steps to control carbon dioxide emissions, growth and heavy reliance oo dirty fuel may soon. In a wide-ranging effort to boost its economy

propel China toward that unenviable distinction.

China's pell-mell industrialization is powered largely by huge reserves of coal, the dirtiest of fuels in carbon emissions. Three-quariers of China's energy project in the Three Corges area of the Yangtze River pro needs. from factories to home heating, are now met by burning coal.

Noxious fumes sting the eyes of not appear to give inces late this summer. city dwellers. haze obscures the views, and acid rain falls as far as Japan in one direction and southwest China in another. More wornisome for the rest of the world, China's smokestacks spew tons of carbon into the ide, could become the chief energy source 50 years from atmosphere increased in the heid energy source 50 years from

The result is all too palpable, as I

found on a visit to several prov-

atmosphere, increasing the buildup of heat-trapping oow.

China already ranks third in carbon dioxide emissions, behind the United States and the former Soviet Union, and when Soviet emissions are split among the newly independent republics. China may well be sec-ond. Emissions will almost certainly climb higher as China's economy expands and its population grows bigger and richer. Chinese consumers will inevitably seek a higher standard of living, with more cars, more refrigerators, more home beating, more consumer goods, all requiring more energy to produce and oper- soil erosion. No one cites the distant prospect of global ate. Chinese energy and environmental officials expect coal consumption to rise from the current level of 1.1 billion tons a year to more than 1.4 billion tons by the year 2000 —and carbon emissions are expected in rise shamly as a consequence.

pass the United States in carbon emissions by the year whether to allow Western companies to meet emissions 2025, though China's own projections suggest the United States in China. But without force-2025, though China's own projections suggest the United States will still lead the pack. The outlook would be full action, whatever progress is made elsewhere in even worse had China not done an exemplary job of curbing curbon emissions could be undercut by an

expansion. The Chinese have made astonishing gains in industrial efficiency over the past decade, thereby holding energy growth to half the rate of economic growth. EW YORK — If global warming materializes as the threat many scientists predict, the world's ability to head it off may well be

But most analysts think the easy part has been accomplished and that further gains will be much harder. Chinese officials, though not fully convinced of the global warming threat, recognize the need to

head it off. Ou Geping, the government's top environ-mental official, said in an interview that even before emitter of carbon dioxide, the chief man-made con- global warming is fully proved all countries should In a wide-ranging effort to boost its economy and clean its environment, China is already taking steps that

> that will produce power without emitting carbon dioxide; a treeplanting program that has increased forest coverage for the first time in years; the building of large generating plants for greater efficiency, and experiments with cleaner approach-

es to home heating.

Beijing leaders do

Global warming, if it occurs, could harm China itself, an added reason for curbing emissions. But China's leaders do not appear in give the threat high priority. They point out correctly, that industrialized nations emit far more carbon dioxide per capim than China and

have done so for a very long time. Those nations, they imply, should bear the brunt of cleaning up the mess.

And when Chinese officials are asked what environmental problems are most acute, they invariably cite urban air pollunon, population growth, clean water or

There is no doubt that the nations of the world will need to enlist China if they ever unite to head off global warming. That could pose some very hard questions for the West, such as whether to subsidize China's conver-One U.S. projection even suggests that China could sion to cleaner fuels and more efficient factories, or

# New Map of World Climate

By William K. Stevens

New York Times Service EW YORK -- According to conventional wisdom, the world's climate over the last millennium has been dominated by two hig global events: a medieval warm period, between about 900 and 1300, , when vineyards flourished in Britain and the Vikings colonized Greenland; and a Little Ice Age from the 15th to the 19th centuries, when mountain glaciers expanded, extreme cold ravaged Europe and people occasionalwalked from Staten Island to

Manhattan on the ice. More precise analysis is now casting serious doubt on this picture of worldwide, centuries-long climatic episodes, so much so that a number of scientists are urging that the commonly used terms "Little Ice Age" and "Medieval Warm Pe-

riod" be abandoned.
"These terms have become entrenched in the literature, but they obfuscate what really took place, when and exactly where," said Dr. Raymond S. Bradley, a paleoclimatologist at the University of Massachosetts in Amherst.

Emerging in place of the conven-tional view is a much more complex picture in which different climatic conditions prevailed in different parts of the world at a given time, and climates fluctuated between warmer and colder on a scale of

decades rather than centuries. The new picture is far from complete, and the effort to fill it in has important implications both for understanding how global climate behaves and for learning whether a pronounced warming trend in the 20th century is a natural phenomenon or the result of humans' impact on the atmosphere. So far, depending on how the incomplete evidence is read, it gives comfort to both sides of that debate.

symposium this week at the semian-millennium, they have been of a decade or two.

trotting to work . . . the upper lip

and the inflamed neck veins of the

suburban housewife . . . the wor-

And then, suddenly, be will roll

into a textbook guide of class and

race stereotypes, which, because they carry sufficient truth in them,

can he hilarious. "Television pre-

senters have weak eyes and they

emit a language of their own - the

Afrikaans a fulsome Germanic

"South African Jews have a sort of

superior sympathy for the Boers."

And, "It is habitual for youngish

Afrikaners to wipe out their entire

immediate families in one go. usu-

Breytenbach's portraits them-

seives are extraordinary, resonant.

Here, for instance, is Mandela.

"Only the lips in repose betrayed

him - severe, dark, aloof, hitter. It

is the mouth which sometimes says

more, and more eloquently, than

the voice can; lips close over the

imsavable: This cannot be spoken

ally with a firearm."

about so why bother?"

strain of throat - terrorism.

ried blind look of the writer.

nual meeting of the American Geo-physical Union in San Francisco. much shorter duration than has been thought and have taken place Climate and weather vary on

many scales of time and space, from the grand rhythms of ice ages over thousands of years and whole continents to seasonal variations and the local day-to-night oscillations that are a familiar part of daily life. Short-term oscillations are superimposed on long-term ones, and all are governed by the interplay of external influences like solar radiation and the climate system's highly complex internal interactions. Much is known about the grander

ice-age rhythms and the short-term seasonal and daily ones, but on the intermediate scale of centuries the picture has been less clear. Historical accounts of climatic episodes and the observed advance and retreat of mountain glaciers in many parts of the world over the last 1,000 years led paleoclimatologists to pos-tulate the two long, sustained warm and cold spells that they called the Medieval Warm Period and the Littie Ice Age.

Under this formulation, the centuries-long Medieval Warm Period saw sustained global temperatures perhaps 1 degree Fahrenheit (-17 centigrade) warmer than the 20th century, while the global temperature was 2 to 3 degrees colder in the Little Ice Age. By comparison, Earth is 5 to 9 degrees warmer now

And while it is true to

A number of improvements in methodology, including analysis of climate-sensitive tree rings, ice cor-ings, fossil pollen and a more critical and painstaking analysis of historical documents, have enabled scientists to gauge the milleanium's climatic rbythms more precisely, said Dr. Malcolm K. Hughes, n paleoclimatologist at the University of Arizona.

Using these updated methods, scientists are concluding that while there have been periods of pro-

in bruited regions at different times rather than globally.

For instance, Dr. Debra Meese and Dr. Anthony J. Gow of the United States Army's Cold Regions Research and Engineering Labora-tory in Hanover, New Hampshire, reported that an analysis of corings taken from the summit of the Greenland ice sheet showed that while there was no sustained Little Ice Age there, a relatively cold period of greatly fluctuating climate took place after 1700. They also found that a Medieval Warm Period did occur there between 620 and 1150 A.D., during which conditions were above freezing.

UT Dr. Hughes and Dr. Henry Diaz of the Na-tional Oceanic and Almospheric Administration in Boulder, Colorado, reported that a careful analysis of tree rings, mountaio glaciers and historical documents failed to show that the Medieval Warm Period observed to the North Atlantic region was globdence for a sustained medieval warming at high altitudes, like the Greenland summit and the Andes.

7. 3.5 8.5

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And while it is true that mounthan in the depths of the last ice age. tain glaciers did advance in many parts of the world during what has been termed the Little Ice Age, he said, it is far from clear that they advanced simultaneously.

In fact, a reconstruction of the Northern Hemisphere's climate from 1400 to 1970 by Bradley and Dr. Philip D. Jones of the University of East Anglia in England showed not a single, long-term pat-tern of any kind but rather a wide range of variations in different parts of the world, with oscillations between warmer and cooler region-The subject was explored in a nounced warm and cold over the al climates taking place on scales of

#### **BOOKS**

RETURN TO PARADISE By Breyten Breytenbach, 224 pages. \$22.95. Horcourt Brace.

Reviewed by Lynn Freed T HIS wonderful book, the third in Breyten Breytenbach's tril-

ogy of exile, incarceration and rehe made to South Africa in 1991. The book is written with a wild heart and an unrelenting eye, and is fueled by the sort of rage that produces great lucrature.

After more than half a lifetime

spent in exile — with the exception of a few visits home, and seven

The winners' score was far ahead

of their nearest rivals, and is proba-

ally a record for the event. The

standings were: 1st. Greenberg and

Moss. 849 imps. 2d. Jon Green-span and Bjurn Fallenius, 383.7: 3d. Konrad Dziekanski and Peter

Kuriz, 302: 4th, Rohh and Linda

Gordon, 297.6. All are from New

years in a South African prison for ture course. . . . tr bas been my "lerrorism" — Breytenbach opens
"Return to Paradise" with the statement of statements for South African exiles and expatriates: There is such a thing as an incurable nostalgia." And yet, so saying, he goes on to examine, to expose, in deride - sometimes gently, often savagely - the root and branch of the nostalgia, the nature of "the

beloved bloody country."

pleasure to disagree with the bving and the dead."

Breytenbach's writing reveals the eye of a painter, the ear of a poet. There is the keenest sense of immestanding just behind him, moving with him through the thicket toward what passes for truth.

"To my mind," he writes in the talks of his own "white-sight," his preface, "only a fool would preown failure to see. Doubling back tend to understand comprehen- un an ecstatic description of a garsively what South Africa is really den, a landscape, a mountain, he about, nr he objective and far-will remind himself and his reader sighted enough to glimpse its fu- that "along the edges of the well-to-

do estates a disorderly metropolis of

sombre shifting shapes of galloping buffain . . . white joggers with pink fai-rolls shuffling along to En route, no one is spared burn off the excess, hungry blacks

tainly not Breytenbach himself. He

#### BRIDGE By Alan Truscotl On the diagramed deal Moss

MARRIED couples sume-umes have good bridge part-nerships, but that is practically show 15-17 high card points, but he tricks, judged that his long, strong dianever true of formerly married monds were the equivalent of a partnerhips. Perhaps the univ expoint. His partner raised to game, ception to this generalization is the pairing of Gail Greenberg, former-ly Gail Moss, and Michael Moss. and when the heart king was led he Playing in November at Green-berg's Honors Club 42 West 74th Street, they headed a strong field in the annual Ogust-Schenken event.

The heart ace was held up until the third round, and there was a crucial che available. At the third trick West led the beautiful the third trick was the desired trick was the third trick was the trick was the trick was the third trick was the tric could count eight tricks. He needed preference signal suggesting a spade entry. That was of great interest to South, who could now judge that the spade finesse was due to fail. He therefore decided to hope that

East held the diamond ace. After

running six club tricks he led dom-

my's singleton diamond and was

rewarded. He could not be preventheld the South cards and opened ed from scoring the diamond king one no-trump. This purported to and the spade ace for a total of nine

> # J 10 2 V A 9 2 0 4 ♣KQ10763 SOUTH (D) # A Q 4 0 6 4 0 K 3 10 9 5

East and West were vulnerable. The bidding: South West I N.T. Pass

poverty is grawing its way through."
"South Africa," he says in one of his characteristic litanies. "is the Anne Lechartier, deputy director of the American Chamber of photographer's paradise: undefiled Commerce in France is reading desert, landscapes, cloud-towers of fancy in the electric heavens, rub-"The Fall of Paris: The Siege and the Commune 1870-71," by Alistair bish dumps where women and chil-Home. dren scratch for sustenance; the

"During the siege, people ate cats, dogs, rats and even the animals at the zoo to survive. After the armistice, the National Guard refused to turn in their weapons, set up the Commune and took nver Paris." (K. N. Cukier, 1HT)

Each time the camera looked his onirror (or mirror as self?), and it clenched fist held high and a pious tear in the combative eye . . . There are flashbacks to anti-

bilarious vignettes, diatribes against places, against people. White liberals, his friends included, "starry-eyed recent cooverts," white fascists, the ANC, "the new hegemony," blacks, browns, academics of course, other writers all come under Breytenbach's passionate, forious, ironic eye. His reactions are not predictable, but they are always true, with a won-derful absence of heartfelt horror, never the shocked liberal gasp. "Aren't you ever happy?" asks Albie Sachs, fellow ex-exile. "Now

that we've won, can't you rejoice?"

And here is Jesse Jacksoo at an But how can Breytenbach reearly Mandela rolly "with shiny hair and shiny moustache and a camel's hair coat and a nose for the "coming face to face with the self as for The Washington Post. television-lens like a fly for s-

way he was on his feet with strikes me that exiles often put pipes in their mouths to lift their hats jauntily to an imaginary mir-ror. Maybe the mirror is home," The writer himself, he says, "flies apartheid meetings in other Afrithrough language as wide and as unique as his wings. Like all birds can countries, many of them engineered by Breytenbach himself, he sings in French when in France

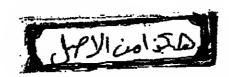
WHAT THEY'RE READING

London. . . . It's the only way to be indigenous." Finally, when the visit is over, this indigenous Afrikaner leaves his country with a question.

Afrikaans in Africa, English in

"Why did I come back?" he asks. "Nostalgia, unfinished husiness, loose ends, to complete the incomplete, for annihilation, deathwish. Why will I not return to stay? Ton late now. Foreigner here. Painted monkey. Bitter dreams. No roots. Attachment ton painful. Deathwish . . .

joice? Again and again, he returns
to the subject of exile. It is, he says,
novel is "The Bungalow," wrote this



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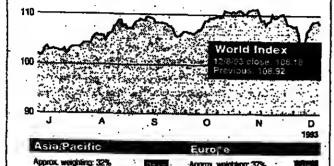
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Utilities	114.59	116.29	-1.46	Raw Materials	. 108.43	107.94	+0,45
Finance	111.13	113.22	-1.85	Consumer Goods	96.29	96.60	-0.32
Services	118.21	118.23	-0.02	Miscellamous	124.72	123.19	+1.24

O Informational Haraid Tribune . . . . See AEG. Page 19.

# **AEG Sets** Job Cuts, **Asset Sale**

#### In Restructuring, Firm Shifts Focus To Daimler Lines

By Brandon Mitchener International Herold Tribune
FRANKFURT — AEG AG announced plans on Wednesday to sell its profitable appliances division to Electrolux AB of Sweden as part of a sweeping reorganization that will cost the company 12,000 of its 60,000 jobs.

What remains of the troubled AEG, a sprawling electrical engi-neering and appliances company whose vacuum cleaners and washers are a household name throughout Europe, will better serve the needs of its equally troubled parent. Daimler-Benz AG, according to the unit's chairman, Ernst Georg Stockl.

"AEG is neither being sold nor cut in pieces," he insisted as hun-dreds of workers demonstrated in the rain in front of its headquarters. Nevertheless. AEG already looked different Wednesday. Com pany stationery distributed in Frankfurt carried the new letterhead surname Daimler Benz Industrie and depicted a company more focused on technology and transporta-tion, Daimler's main concerns. "We're saying goodbye to con-sumer goods," Mr. Stöckl said.

In addition to the sale of AEG's appliances unit for an undisclosed sum, Mr. Stocki said buyers were also being sought for its European lighting, cables and meters businesses. Electrolux already owned 10 percent of the AEG appliances unit. AEG will also spin off its low-

voltage components and propulsion related automation activities to two joint ventures controlled by General Electric Co. of the United States, Mr. Stockl said. At the same time, AEG will take control of all Daimler-Benz indus-

trial activities not related to motorvehicle and acrospace technology, primarily microelectronics and diesel motors for power generation.

AEG's key industrial automation

The Spanish peseta and the Porand rail transportation divisions will be retained but reorganized, with

# Metallgesellschaft Appoints Panel To Oversee Chief

By Darrell Delamaide and Ruth Baker Bloomberg Business News

FRANKFURT - Heinz Schimmelbusch, chief executive of Metallgesellschaft AG, has been put on probation as the German metals and trading company has unexpectedly descended into a loss, an executive with close links to the company said Wednesday.

On Nov. 19, less than a week before the company reported a significant loss for the linancial year ended Sept. 30, the super-visory board of Metaligeselischaft formed a four-man committee to supervise Mr. Schimmelbusch's efforts to turn the company around, according to the executive, who spoke on condition of anonymity.

He said the committee was formed last month when the supervisory board renewed Mr. Schimmelbusch's contract as chairman of the company's management board. Metallgesellschaft, an ag-

glomeration of 258 companies that mine, process and trade metals, clean up the environ-ment, and build car parts and boilers, among other activities, is one of the core companies in the German economy.

Hans Schreiber, a spokesman for Metallgesellschaft, said he could not confirm either the contract renewal or the formation of a special committee on the board.

The company reported a pre-tax loss of 347 million Deutsche marks (\$204 million) for the financial year ended Sept. 30. compared with a profit of 245 million DM the previous year.
Metallgesellschaft shares

dropped 11.7 percent Monday on reports that the company could not meet cash calls from the New York Mercannic Exchange on oil futures contracts. The stock rose 12 DML to 365.50 DM, on Wednesday. Germany's leading financial institutions - Deutsche Bank

See METAL, Page 21

# Xerox to Shed 10,000 Jobs In Its Largest Cuts Ever

STAMFORD, Connecticut - Xerox Corp. said Wednesday it would cut more than 10,000 jobs, or 10 percent of its work force, close plants and take charges totaling \$854 million to streamline operations and

settle an antitrust lewsuit.

Xerox stock jumped \$5.50, to \$86.25, in heavy trading on the New York Stock Exchange.

The world's leading seller of high-volume copiers. said the employment cuts and other restructuring actions would result in a fourth-quarter charge of \$700

In addition, the company plan said it planned to take a one-time charge of \$154 million in the fourth quarter to reflect the cost of settling antitrust litigation filed by 25,000 service and repair organizations in Texas over a dispute involving sales of spare parts.

Xerox said the job cuts would be the largest in the

company's history. It was the second major work force reduction Xerox has announced in two years. In De-cember 1991, Xerox said it would cut 2,500 jobs. Chief Executive Officer Paul A. Allaire said the

restructuring would intensify the company's focus on improving productivity. This program also will improve our ability to drive for increased revenue growth. The said.

The joh eurbacks provided a pointed reminder of the consequences of the last recession in the United States and the sluggishness of the recovery.

The announcement of the job cutbacks at Xerox came a day after the food and tobacco company RJR

Nabisco Inc. announced plans to cut 6,000 jobs. or about 10 percent of its work force. Other large consumer-products companies, includ-ing Philip Morris Cos., Procter & Gamble Co. and

Anheuser-Busch Cos., have also announced thousands. of job cuts this year as they struggle to boost profits.

Xerox said about half of the 10,000 jobs would be eliminated in 1994, with the remainder to be cut over the next three years.

Judd Everhart, a spokesman for Xerox, said the company has not specifically identified where the jobs. would be eliminated, but said everything from clerical to management jobs would be cut.

He said Xerox had not decided how many or which plants would be closed. "We just can't say because we have to work out the steps with the employees who are going to be affected and we have a couple of unions and community groups we want to talk to," said Mr. Ever-hart. "They have not been specifically identified." Xerov has 97,500 employees worldwide, with about

54.000 in the United States. Xerox has administrative offices in Brazil. Canada, India Japan, Mexico, Singapore and Britain in addition to its U.S. operations. The restructuring and cost-cutting measures will

also affect Rank Xerox Ltd., a joint venture, according to analysts who took part in a conference call with company executives. Fuji Xerox Co., however, would not be affected. Analysts said they believed the company's latest

mouncement was a sign that management was con-

tinuing to focus on aggressive cost-cutting.
"We're pleased to see this kind of aggressive, decisive restructuring," said Jamie Kiggen, a Prudential Securities analyst, who has rated the stock a "buy." But Moody's Investors Service Inc. said it had placed

the debt ratings of Xerox and its subsidiaries under review for a possible downgrade. It said the review had been prompted by the company's after-tax charge for

# French Franc Back Home in the Range

By Carl Gewirtz onal Herald Tribune

PARIS - The so-called hardcore currencies of the European Monetary System were reconstituted Wednesday as the French franc, the focus of last summer's currency crisis, rose to within its pre-crisis range against the Deutsche mark.

The currency thus joins the Belgian franc, which made the same move last week, as well as the Dutch guilder, which never ceased trading within its old limit of 2.25 percent on either side of a central rate against the mark. The Danish krone also appears to be on its way back to the old range.

tuguese escudo are still well outside their old bands, as are the pound and the Italian lira, which have

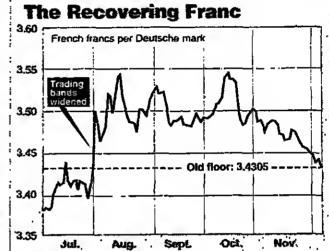
The summer currency erisis came when the markel decided to bet against the French franc's ability to stay within the 2.25 percent range. It ended Aug. I with a retreat by Europe's central hanks,

#### France's economy grew wealthy in the third quarter. Page 19.

which widened the fluctuation bands of currencies other than the guilder to 15 percent either side of their central rates. At the time, such wide trading

ranges were widely viewed as the de facto end of the European Monetary System, as such volatility in intra-European exchange rates was deemed incompatible with the aim of a single market for goods in the 12-nation European Community. In fact, however, the govern-

See FRANC, Page 10



#### Stock Prices Gain in Europe

LONDON - European stocks staged strong advances Wednesday, as markel indexes in London, Paris and Frankfun rose more than I percent.

In London, where the latest auction of government securities, or gilts, was oversubscribed several times, the Financial Times-Stock Exchange 100-share index jumped 40.10 points, to a closing record of 3,277,40.

Paris's CAC-40 index closed at 2,205.31, up 29.19, helped by the strength of the franc. In active trading in Frankfurt, the DAX index gained 32.67 points, to finish at 2,148.13. Analysis cited abundant liquidity and optimistic market forecasts.

#### INTERNATIONAL MANAGER

# Can Rewards Be Punishing?

By Jay Mathews EW YORK - In the early 1960s, two graduate students working independently on the ancient problem of coaxing the best from human beings stumbled across results they did not inderstand.

Louise Brightwell Miller at the University of Kentucky discovered that 9-year-old boys were less likely to solve a simple identification test when they were paid for right answers than when they worked for free. Sam Glucksberg at New York University found the same result for adults given a household engineering problem.

Among the behaviorists who have dominated much of American psychology and motivational research since World War II, the notion that people would do better without a material incentive was, as Ms. Miller and her adviser said in their report, "an unexpected result, unaccountable for by theory and/or previous empirical evidence." Thirty years later, the Miller and Glucksberg

experiments have become intriguing parts of an intense academic debate over the roots of human motivation and have raised doubts about the methods that American businesses have used for decades to improve employee performance.

In books such as "Punished by Rewards: the Trouble With Gold Stars, Incentive Plans, A's, Praise and Other Bribes," by Alfie Kohn, who cites Ms. Miller and Mr. Glucksberg, and "Second to None: How Our Smartest Companies Put People First" by Charles Garfield, anti-behaviorist psy-chologists are arguing that money not only does not buy happiness but can, if misapplied, kill a worker's desire to do his or her best.

When you do something for a reward, you tend to become less interested in what you're doing," said Mr. Kohn, a writer and lecturer on human

behavior who cites the work of dozens of social

"It comes to seem like a chore, something you have to get through in order to pick up the dollar or the A or the extra dessert. What this means is that millions of well-meaning teachers and purents and managers are killing off creativity and curiosity in their attempt to bribe people to do a good job."

Critics of monetary rewards begin by trying to make it clear they are not advocating a return to slavery. They say people should be paid well

When you do something for a reward, you tend to become less interested in what you're doing. It comes to seem like a chore.

Alfie Kohn, a writer and lecturer on human behavior

enough that they are no longer distracted by wor-ries that they are underpaid. "Managers need to divorce the task from the compensation as best they can by paying people well and then doing everything possible to help them put money out of their minds," Mr. Kohn

A material reward might work in the short term, the anti-behaviorists argue. But over time, the theory says, the most successful will grow tired of that kind of reward and will need to be given a motive that is closer to their sense of themselves, lest they lose their spark altogether.

Several business surveys add to the impression

See REWARDS, Page 20

### Toshiba Sets Investigation In Chip Case

TOKYO -- Toshiba Corp. said Wednesday it was investigating allegations made in news reports that it had covered up a transfer of microchip technology to East Ger-many in 1987 that was a possible violation of controls on exports to Communist countries.

The Japanese agency Jiji Press said East German documents bad shown that Toshiba and Mitsui & Co. tried to "camouflage" the deal several months after a separate in-cident in which a Toshiba unit was found to be illegally exporting sen-sitive equipment used in subma-tines to the Soviet Union.

The report from Berlin said that as that investigation widehed. Toshiba decided to tell the East German concern, Heim Electric Ex port-import, to halt production of memory chips at a plant that was

already operating in Erfurt.
According to Jiji, Toshiba or-dered Heim Electric to destroy all evidence of the project and paid back 90 percent to 95 percent of the \$25 million it had received from the East German enterprise under a "gentlemen's agreement" reached July 4, 1986.

A Toshiha spokesman said Wednesday it was not certain when its investigation would be completed, saying it was difficult because many of the employees involved had since retired.

Dac. 8

# CONSISTENCY.



NE FLAWLESS PEARL MAY BE A LUCKY FIND. But putting together a whole string of them, side by side, takes time. Professional insight. And a singular quest for quality.

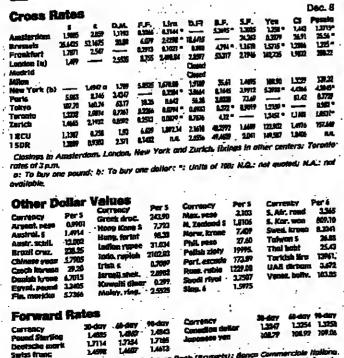
At Sanwa Bank, we too aim to provide clients with consistently high-quality financial services. Not just in one area of finance or in isolated transactions. But in every transaction. and all the commercial and investment banking areas where we are active, in thirty countries worldwide.

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### **CURRENCY & INTEREST RATES**



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Source: Reuters. Dow Jones Averages

**NASDAQ** Indexes

**AMEX Stock Index** 

Market Sales

EUROPEAN FUTURES

# U.S./AT THE CLOSE

# **Several Key Issues Push Dow to Record**

Compiled by Our Staff From Dispatches NEW YORK - The Dow Jones industrial average set a record for a second day, fueled by shares of Alcoa and J. P. Morgan, which accounted for about two-thirds of the

MARKET DIARY

average's advance.
But the broader market indexes fell on concerns about the release

#### N.Y. Stocks

of U.S. wholesale-inflation figures on Thursday and retail-inflation numbers on Friday.

The Dow Jones Industrial Average closed 15.65 points higher, at a record 3,734.53. But the Standard & Poor's 500 Index fell 0.47, to 466.29, and the Nasdaq combined composite index declined 1.46, to 767.89.

The number of declining common stocks outnumbered advancing issues by 11 to 10 on the New York Stock Exchange

"Some suspect inflation may be more of a problem than conventional wisdom says it is," said William Raftery, market analyst at Smith Barney Shearson Inc. Underscoring the inflation con-

cern, gold for December delivery rose \$6.40 an ounce, to \$383.80, on the Commodity Exchange. The beliwether 30-year Treasur

bond edged up 1/32 to 101 6/32 while its yield slipped by a slight 0.23 point, to 6.16 percent. Pacific Gas & Electric was the

Continued from Page 9

ments that reluctantly abandoned

the narrow trading ranges made little use of the freedom provided

by the widened bands. It had been

expected that Germany's neighbors

would take the opportunity to act

independently of the Bundesbank and slash interest rates - probably

Foreign Exchange

driving down their currencies in the

process - to boost economic activity and bring down unemployment.

Although they never went far in that direction, speculation still

pushed the other currencies outside

their former ranges. The French

franc slid 5 percent below its old floor of 3.4305 francs to the mark.

But on Wednesday, it traded well

within the old range and closed in Europe at 3,4245 to the mark. Its

recovery has been attributed to French policies that have kept in-

flation low and a gradual reduction in interest rates in Germany that

"The advantage of the wider trading bands is that it created the

room for the system to absorb shocks," Didier Maillard of Ban-

que Paribas said. "This doesn't mean the franc may not drop again," he added, but with mone-tary tensions in Europe easing, the

has weakened the mark.

FRANC: French Currency Gains

most-active NYSE issue, falling 1/5 to 34% in dividend-related trading. Vodaphone followed, up 1%, at 85%. signed the North American Free

Trade Agreement.

J. P. Morgan gained 15: to 72%.

The bank raised its quarterly dividend to 68 cents a share from 60 cents, and said it will buy back as much as seven million of its outstanding shares.

Alcoa gained 3% to 72% on reports the company will supply alu-minum bumpers for the new Toyota Avalon sedan that will go on sale in the 1995 model year.

Computer software stocks were among the biggest losers after an analyst at Goldman, Sachs cut his earnings estimates for Microsoft Corp. The stock slumped 2 to 831/2.

Shares of international oil companies declined on concern about a plunge in crude prices to the lowest els in five years. Exxon fell \* to 621/4. Mobil declined 1% to 73%, and Amoco lost 1 to 52%. Continental Airlines Inc. Class B

shares fell 114 to 20% after the airline sold 7.2 million Class B shares. (Bloomberg, UPI)

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franc could return to its central rate

But many analysts were quick to

point out that the recent currency

moves had as much to do with the

weakness of the mark as with any

positive developments in the rest of

"This is a window of opportunity for the French franc," Neil MacK-

innon at Citibank in London said.

It's not a one-way street. If the

French economy were to suffer a serback, we could easily see pres-

■ Dollar Gains Against Yen

Wednesday but was mixed against

European currencies, news agencies reported from New York. At the close, the U.S. currence

stood at 108.90 yer, up more than a yen from 107.48 Tuesday. It had

from 5.8610 francs, though it

strengthened to 1.4695 Swiss franci

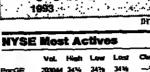
from 1.4600. The pound rose to \$1.4947 from \$1.4930. (UPI, AFP)

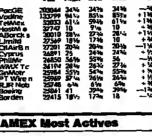
The dollar surged against the ven

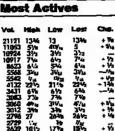
sure resume on the franc."

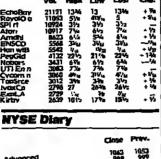
of 3.35 to the mark.

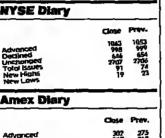
# The Dow Daily closings of the Dow Jones industrial average

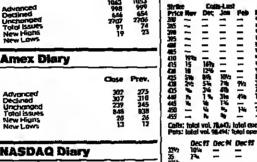




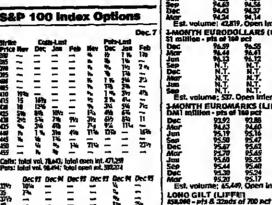




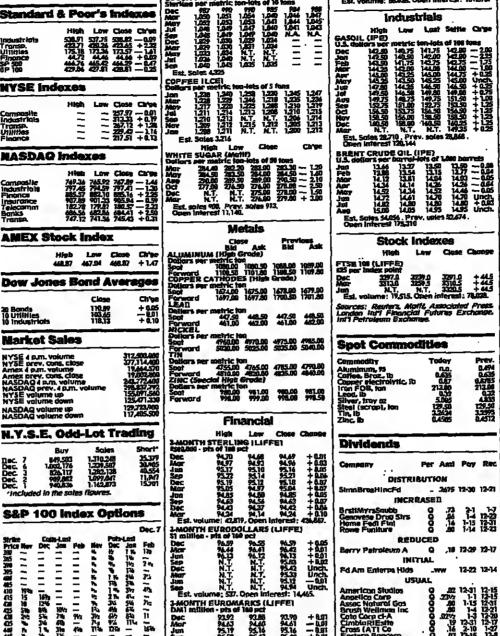




# N.Y.S.E. Odd-Lot Trading



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LOW LOSS

GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pcf

Fed Issues 'More Optimistic' Report WASHINGTON (Combined Dispatches) — Inflation remains low, and the economy is growing at a "moderate" pace, the Federal Reserve. Board said Wednesday in its so-called tan book report on current

The report said the picture the central bank had received of the economy was "generally more optimistic" than what its data depicted during the summer. In its previous report, issued Nov. 3, the Fed reported only "the summer."

only "slow to moderate" growth. Separately, the Labor Department said productivity rose more during the Separately, the Labor Department said productivity rose more during the third quarter than was previously thought, registering its biggest increase in third quarter than was previously thought, registering its biggest increase in the quarter six years. It said nonlarm productivity was up 4.3 percent in the quarter instead of the originally reported 3.9 percent. (Bloomberg, UPI)

#### Litton Unit to Buy Out Dresser Stake

NEW YORK (Combined Dispatches) — Litton Industries Inc. said Wednesday that its Western Atlas Inc. unit would pay \$358 million in cash and \$200 million in seven-year notes to purchase a 29.5 percent stake in the subsidiary held by Dresser Industries Inc. Litton plans to spin of

the Western Atlas busin Dresser said it expected a \$150 million gain on the sale. Litton said it would take a charge of \$172 million to adjust the value of assets at Western Atlas International, a Western Atlas unit. (Knight-Ridder, Reuters)

#### ITT to Spin Off Forest-Products Unit

NEW YORK (Combined Dispatches) — ITT Corp. said Wednesday it planned to spin off its forest-products business to its shareholders. planned to spin off its forest-products business to its shareholders.

The financial services, manufacturing and lodging conglomerate said the proposed tax-free spinoff of ITT Rayonier Inc. would create a company with an estimated equity value of \$800 million. The unit has assets of \$1.5 billion and had sales of almost \$1 billion in 1992.

ITT stock jumped \$2.375, to \$91.125. Shareholders will get a special dividend of one Rayonier common share for every four ITT common shares or every 3.155 shares of ITT Series N preferred.

(AP, UPI)

Georgia-Pacific to Sell Envelope Unit ATLANTA (Bloomberg) — Georgia-Pacific Corp. said Wednesday it signed an agreement to sell its envelope manufacturing business to Sterling. Group Inc., a closely held investment group based in Houston. Terms were not disclosed. The paper and forest-products concern said it expected an after-tax cash gain of \$110 million to \$120 million from the sale.

#### U.S. Surgical Plans Job Reductions

NORWALK, Connecticut (AP) — U.S. Surgical Cosp. said Wednesday it would eliminate as many as 500 jobs and sell or consolidate some plants in an intensification of its cost-cutting campaign. The company, which makes surgical staplers and other surgical products, two manufactures ago laid off 700 employees and cut production, citing increased competition and lagging sales. U.S. Surgical said it would take a \$125 million restructuring charge against fourth-quarter earnings.

#### New England Phone Firm to Cut Jobs

NEW HAVEN, Connecticat (UPI) - Southern New England Telecommunications Corp. announced on Wednesday a restructuring that includes plans to slash 2,500 employees from its payrolls over the next stwo years. The company said charges resulting from the layoffs will result in a fourth-quarter loss. The board also elected Chief Executive Officer Daniel J. Miglio to the position of chairman effective Jan. 1.

#### For the Record

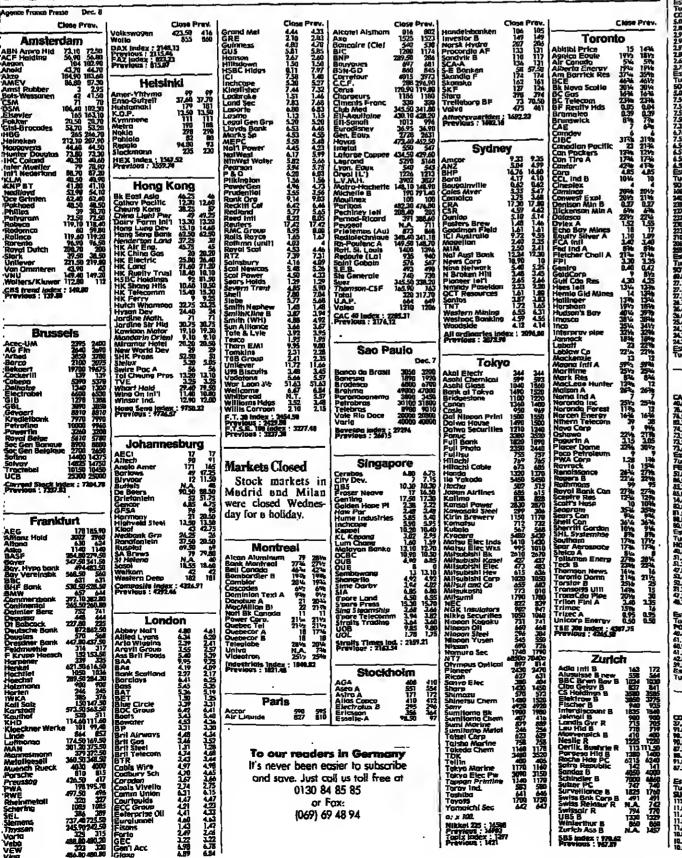
The New York Cotton Exchange said it had signed an agreement with the New York Stock Exchange to acquire its wholly owned subsidiary, the New York Futures Exchange. (Reusers)

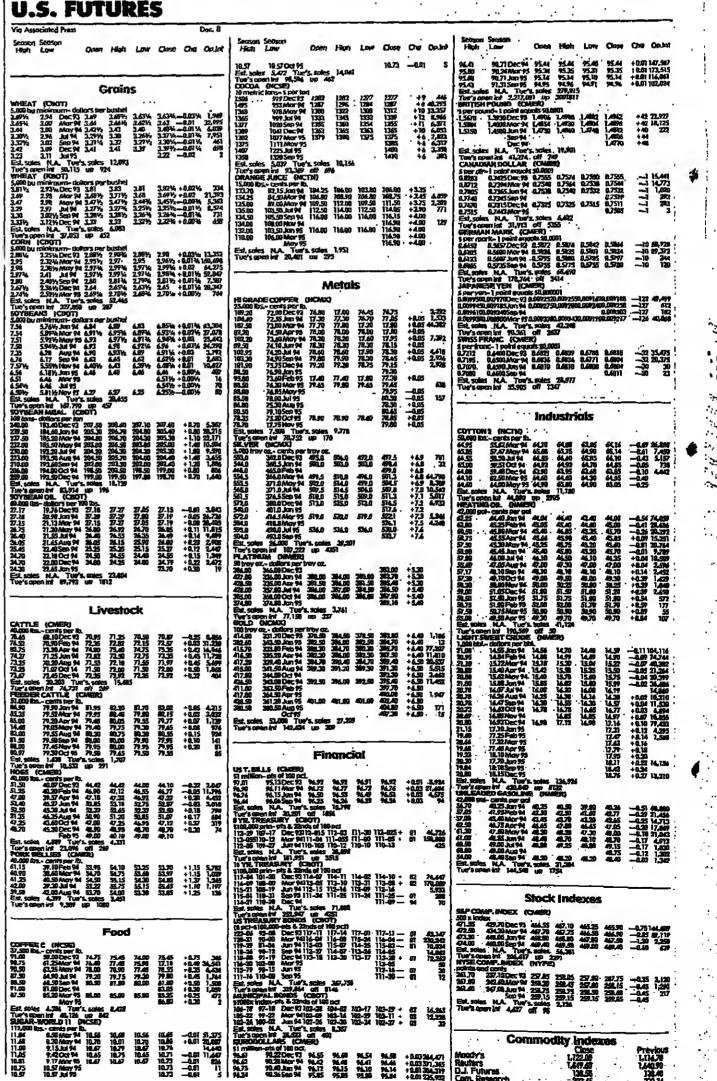
Jefferson Smurfit Corp., which collects, recycles and markets waste paper, said it had approved capital spending of more than \$100 million to expand capacity and modernize operations.

(Bloomberg)

#### risen above 109 yen earlier, on re-ports that a U.S. Federal Reserve Board member, Wayne Angell, had said the dollar should be trading at Business and financial news 120 yen. Mr. Angell denied the recontinues on pages 18 to 21 The dollar also was quoted at 1,7090 DM, up from 1,7033 DM. It fell to 5,8525 French francs, down

#### **WORLD STOCK MARKETS**





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#### ADVERTISING SECTION

# Free Markets in Collision With the Social Safety Net

The last five years have seen the demise of the communist state in Eastern Europe. Will the next five as in 1989; yet wages have risen 7 ears see a comparable decline in Western Europe's cherished concept of democratic socialism?

High wages and generous social programs have become the civilized hallmark of much of Western Europe since World War II. In 1990, social security payments as a percentage of GDP equaled 21 percent in France, 18 percent in Italy and 15 percent in Germany, es opposed to 12 percent in

#### Real wages increased 70 percent in 20 years

Japan and 11 percent in the United States. Many experts are now saying that thie is not the right approach - the night structure, they call it - for a pros-perous Europe in the 21st century:

Gary Hufbauer, a senior fellow at the Institute for International Economics in Washington, D.C., says Europe is m a "crisis of the mixed economy," with unfettered capitalism'e free markets colliding against the cradle-to-grave assurances of the old social welfare systems. "The consensus view is that this is not your usual short-term recession." Mr. Hufbauer says. 'This is a longerterm proposition."

Growth in Asia, according to most estimates, is expected to be 4 percent to 5 percent a year in the immediate future. In the United States, it is predicted to be 3 percent, and in the European Community, not much more than 2 percent, if that

Unless and until Europe's growth catches up, unemployment will remain at or above 10 percent, Mr. Hufbauer predicts. But many experts believe unemployment may have to increase - or wages and social benefits will have to falt - before Europe can become productive enough to increase growth.

"Something has to crack eventually," Mr. Hufbauer says. Maybe the unemployed will rise up. It could be a very interesting drama."

Things will pick up somewhat in Euope as the recession ends, just as the U.S. economy is gradually turning upward. But Europe's recovery may be longer and not as complete because of the structural problems: the fundamental ways in which Europeans work and live, and the way their governments and their big companies are run.

The focus of what is wrong with Europe, both immediately and for the future, has been unemployment. The jobless total is approaching 20 million In the 12-nation European Community, more than 10 percent of the work

For many employers in Europe, including governments that support some of the world's largest public-sector work forces outside the old communist regimes, European workers have simply become too expensive. German social spending has risen from 26.5 percent of gross wages in 1970 to an expected 40 percent next year. In France, 44 centimes of every franc collected in taxes goes to social welfare programs.

High wages and social costs, whether paid directly by employers or indirectly by taxpayers, have hurt Eu-ropean productivity. According to percent to 8 percent a year. Per-unit costs of output in Germany are 35 percent above Japan's, and 50 percent above those in the United States. As global markets open to freer trade, higher prices for European goods mean that sales decline both at home and abroad. Profits disappear, and so

حكذامن الأمط

What can be done? Comparable conditions in the United States in the 1970s end '80s led to a painful restructuring, with many tayoffs. The U.S. work force, however, proved its flexibility, creating millions of new jobs, primarily in small and medium-sized

companies, many in service industries. Western Europe has seen real wages increase by 70 percent over the past 20 years, but the number of jobs by a mere 7 percent. Certainly one reason is the relative inflexibility of the European labor market, particularly in shifting workers from manufacturing to services. David Roche, chief European strategist in the London office of Morgan Stanley, says: "An immense shift in the European labor market will be necessary to restore international competitiveness. It has taken the United States, with its brutally efficient markets, a good 10 years to turn its situation around. It will certainly take Europe, with its almost feudal sense of community, much longer."

Europeans who believe they have lifetime jobs, particularly in the public sector, are often unwilling or unable to change occupations. Few are as willing as Americans to move for a job. Those who might like to start a new business are often discouraged by red tape. Likewise, rules and regulations that inhibit hiring and finng add to the inflexibility of European labor.

Germany is typical. A survey of thousands of German businesses found that one-third wanted to move all or part of their operations abroad in the next three years, usually to Eastern Europe. Along with high labor costs. they cited government regulations and paperwork required for plant expansion and new research programs.

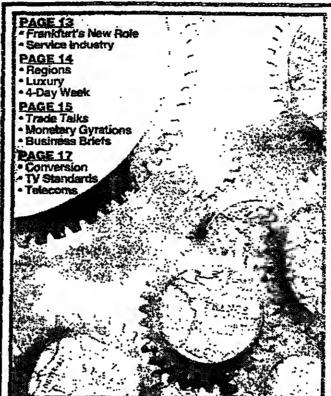
Chancellor Helmut Kohi puts it this way: "Bureaucracy, complicated administrative procedures and overlong planning and approval periods are making it more difficult to establish a modem, high-technology industry in

Not that European captains of in-dustry are models for the rest of the world. A good example of how European management lost its way was in high-definition television. Europe was going to set the industry standard, but now has all but given up on the idea of competing with the United States and Japan.

Acceptance of new technology has been slow, and innovation on all levels has not been European management's strong suit, strategically, many compa-nies have been as afficted by inflexibility as their workers.

Just as their respective countries scratch at each other to defend their home trade niches in the single market, European managers find themselves struggling against each other even as they contemplate cross-border mergers that would allow their companies the economy of scale to





Retooling Europe

Interview / Peter Jankowitsch

# Weighing Variables Of Europe's Future

Peter Jankowitsch, formerly Austria's minister of foreign affairs and state minister for European integration, is currently ambassador to the Organization for Economic Cooperation and Development in Paris. He discussed the outlook for Europe in an interview with Axet Krause, corporate editor of the International Herald Tribune. Following are ex-

cerpts from the interview: What is your scenario for economic performance in Western Europe over the coming year?

My scenario is neither optimistic nor pessimistic. Why? Because the big growth machines, like Germany and, to some extent, Italy are still in a state of trouble.

But aren't there signs, or claims, of recovery in Britain

and France? In some of the big economies, including Britain and France, yes. Bul for the moment, it is marginal, and the big question remains Germany. More important and to an increasing de-gree, we must watch what is happening in Eastern Eu-rope, which for the last decade was not really a factor. Hungary, Poland and their neighbors in the region are beginning to shape themselves economically,

and today they count. But aren't most of them also in recession?

Not Poland. And that's good, because it's the biggest economy. Hungary and [the former] Czechoslovakia are still in recession or experiencing zero growth, but for next year, the outlook is quite good, with demand for goods and

services growing. How is Austria's trade with its Eastern neighbors being affected?

Without exaggerating, our export performance is just lantastic at the moment.

With Slovenia alone, we are doing prectically as much business as we formerly did with the whole of Yugoslavia. So, the good news is that the East Europeans ere doing better, and this will have positive influances

on Western Europe. How do you read Northem Europe with the approach of 1994?

I am not sure about the Baltics undergoing any early recovery. But there are signs that the Scandinavian economies, which were very down, might do a little better. Perhaps e combination of growth in Eastern



Peter Jankowitsch, Austrian ambassador to the OECD.

Europe and some upswing in nearby, smaller economies - Austria will do quite well again next year - might have an aggregate effect. Taking into account what is also happening in Britain and France, the outlook, basically, is not bad.

Is the OECD integrating East European economic performance into its regular outlook forecasts on Europe?

Not yet, Bul They should, because these countries are having a growing effect on the overall economic

Continued on page 12

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • Steven Bartlett is e Parls-based free-lance writer specializing in Intornation technology. • Heidi Ellison is a free-lance writer based in Paris. • Peter Gwynne is a Brussels-based writer who specializes in science and technology. • Timothy Harper, e writer and lawyer, is the author of "Cracking the New European Markets," published by John Wiley & Sons, New York. • Axel Krause is corporate editor of the International Herald Tribune. • Pamela Ann Smith is a London-based financial writer. • Terry Swartzberg is a Munich-based business writer. • Alan Tillier is the author of "Guide to Business Travel Europe" and "The Eyewitness Guide to Paris."

compete globally. The KLM-SAS, Swissair and Austrian airlines managers said they needed to combine to have the economy of scale to survive in the global marketplace, but their merger talks fell apart because they could not agree on which U.S. airline to link up with. In this time of crisis, too many Euro-

pean governments are lacking strong leadership. Unpopular, tired, with few new ideas, distracted by scandals, European teaders have been unwilling to take the sort of bold positions that might lead to restructuring. Michael

Continued on page 14

Privatization / Instrument for Growth

# To Focus Industry, Put It on the Block

Europe are moving ahead with privatization, despite fears of even more unemployment caused by the downsizing that usually follows the sales of public-sector behemoths.

The approach currently may be to soft pedal, as the French have shown by backing eway from dealing with overstaffing at Air France or the protected civif-service status of the employees at France Telecom. Yet the commitment to privatization remains in France and has assumed new vigor

in ttaly. Salvatore Zecchim, assistant secretary-general of OECD, said recently: "It is not a casual coincidence of history if nowedays privatization stands high on the political and economic agenda of both several OECD countries and ell the postcommunist countries. It is rather the result of a fundamental conclusion drawn by governments in both areas, namely that privatization is a major instrument to realize important welfare gains for the country because it revives economic initiative and promotes innovation and high productivity, all factors that lead to sustained

growth.4 The French government, which is launching a second wave of privatizations following those of the 1986-88 period, is anxious to collect some \$34 billion from the sale of four banks, five insurers, 10 industrial companies and two transport concems. It also sees the sales

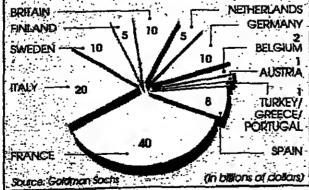
as logical. "Privatization is a decisive part of the modernization of France and is part of an irreversible movement, says Edmond Alphandery, the economy and finance. "Our conviction is governed by realism and pragmatism." Sales are planned in sev-

eral European countries. ttaly's program will eventuatly be larger than that of France; provided the country's precarious politics do not tead to detays. Belgium and the Netherlands plan to privatize their telecommuni-

Governments across French-minister for the vestors. Shares of privatized companies have outperformed the market in France - Alcatel Alsthom's shares

doubled in the tour years after privatization as the electrical and telephone equipment company was free to pursue foreign joint ventures and raise money. In Spain, Repsol (oil, gas and chemi-cals), Telefonica and the bank Argentaria have be-

PRIVATIZATION IN EUROPE 1993-1997 Privatization in Europe during the period 1993-97 is projected to total \$108 billion, nearly twice the \$55 billion figure for 1987-92.



cations utilities, having seen that British Telecom's privatization was a big success... as has been the partial privatization of Telefonica in Spain. One Madrid analyst

has raised its investment to \$5 billion a year. Certainly, privetizations resources are allocated appropriately, employment is bound to benefit." The British economy may soon confirm or refute this thesis. Stefen Szymanski ot Imperiel College, London, a leading writer on privetiza-

> utility prices have tellen, sometimes drametically, as a result of privetizations the exception being the water industry, which needed huge investment in order to meet European Community clean-water directives. British Telecom has undergone a technological revolu-tion and cut prices. Service quality has risen in general. He adds: "Productivity has increased in all industry, and the most important factor in both public and private in-dustry is whether there is competition.\*

tions, says that all British

\*Job security will be based on performance in the future, says Bessel Kok of soon-to-be-privatized Belgacom. Wim Dik, chairman and chief executive officer of KPN, the Dutch telecommunications company, now awaiting full privatization in 1994, says: Since corporatization, the chenge of status to joint-stock company, KPN is a much nicer place less complaining and navelgazing; more energy and action.

A change of equity is not a magic solution to the problems of a sluggish stete company. State companies in some cases have been better-managed than those in the private sector. Privatization, above all, brings a change of mentality, with a new emphasis on productivity, customer service and partnerships. In addition, it no uncertain way.

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explains: "They have cut the rates for international calls, although raising local ones. Waiting lists have been reduced, and the technology is better all around. It is hard to recall the days, not so long ago, of a waiting list of half a million and thousands of villages without even e public phone. Telefonica, as it becomes freer,

have been good for in-

come leaders of the Spanish market. The Spanish have preferred partial privatization in order to safeguard jobs, a policy diametrically opposed to that of Britain, which has been prepared to shed jobs in large numbers and change management while waiting for long-term bene-

fits, including a redistribution of work, British Airways is the best example. It eliminated 20,000 jobs in the run-up to privatization in 1987 and has since put them back on. It is reporting record profits.

As one London analyst

states: "Slimming takes

place when political consid-

erations are removed, but it

Interview / Peter Jankowitsch

Continued from page 11

performance of Europe. They ere also becoming highly competitive with Mediterranean countries - Spain, Portugal, Greece - and these countries are worried. Because for some of the services they perform, like low-cost, low-wage transformation. East and Central European countries are ettracting away investments. For countries like Austria, Germany and Italy, it's now much more practical to use ioint ventures in Slovenia, or Hungary

- maybe someday in Romenia. Turning to the GATT negotiations. and assuming there is agreement by Dec. 15, what will be its impact on Europe's short-tarm economic outlook?

One short-term effect will be a certain growth in business confidence. It means that people can count on a set ot rules, new opportunities that will be opened by the agreements, which will, in turn, influence investment decisions positively. A GATT agreement would be good for stock markets.

And if there is no meaningful agree

ment? tt witl increase uncarteinty. Then there would be the question: What comes instead of GATT? Chaos? New, increased tensions?

Looking et the European Community's single-market program, what would you say it contributed to Europe's position in the world, compared to the Maastricht treaty and its establishment of broad goals for political and monetary union?

While no one talks about it, the single market had a tar more positive elfect than Maastricht, which created a lot of confusion, controversy and did not really add to the image of the Community. The single market had a tremendous effect on business confidence. Overall, it played a key role in making Europe more attractive and united regarding economics and trade.

Today, everybody is talking about a revival of Euro-sclerosis and Euro-pessimism. What went wrong?

This talk comes back every 10 years, like a recurrent disease. But it is, in fact. very difficult to say what went wrong, because the beginning of 1992 was a time of tremendous enthusiasm and confidence. Maybe there was too much euphoria at the beginning, and too much pessimism at the end. Then Maastricht also overtaxed the political wills in EC member countnes. Maybe the basic mistake was that Maastricht, the product of brilliant minds, did not lake into account completely what people and business lead-

So has Europe reached the limits of integration?

Maastricht has clearly shown that there ere certain limits - regarding, for example, a single currency, a feeling of European identity. An overdose of Integration has also triggered the trend toward protectionism. Beyond that, there is enormous controversy bements in the Community, between national parliaments and the European Parliament. It leads to the conclusion that we need to rethink balancing arrangements between supranational and national authorities.

What is your reaction to those who argue that what is shaping Europe is development of regions?

This is a very tangible thing. The best example is the Northern League In Italy. It tells us that the classical. European nation-state has not been able to offset the effects of supranational-Ism. Here I mean decisions taken by Brussels. People still worry about their rights. People want to decide what happens around them, they want to be consulted. Regionalism is a response, and will certainly grow.

Where do you see regional

strength?

In Itely, Spain and Austria, where there is a very strong regional feeling between Vienna, Trieste, Lubiana – and the Danube region, with the two poles being Vienna and Budapest. There is also Alpine regionalism, which includes the Grison, Bavaria, the Tyrol. Trans-border investments are having an impact. We are now completing the Vienna-Budapest highway, enabling one to drive the 235 kilometers in two to three hours, creating a very important economic axis.

Turning to Austria's pending application for EC membership, what are the most important conditions being pursued by your government?

In the very important sector of agnculture, we have to find some kind of transition agreement, because the level of agricultural prices in Austria is so high that our tarmers would lose considerable income if they were immediately thrown into the EC markel. It is not an opt-out arrangement, but one of establishing an appropriate transition period. In addition, we feel certain parts of Austria quelity for structural fi-nancial eid from Brussels.

Burgentand, the easternmost province of Austria, tormerly in the Russian zone ot occupation - it is tairly underdeveloped. Norway's arctic regions can also be considered worthy of some structurel help.

What is your reaction to the March 1994 deadline for completing the ne-gotiations for EC membership for Aus-tria, Sweden, Norway and Finlend? It is a little tight. Yet, there can be no

treaty unless the European Parliament agrees. On June 5, 1994, there will be elections to the parliament. So March is the very last moment to look at this [membership] treaty before then. Also, the new incoming parliament will look quite different politically. It's saler to

deal with the present parliament.

Isn't the real test going to come afterward, with referende in each of the four countries?

Yes, and everything will depend on the conditions the Community can ofter, and whether they prove attractive

Weighing Variables of Europe's Future to voters. Only one country has a clear majority in tavor - Finland. The most

negative is Norway - two-thirds are opposed. Sweden also has a very clear majority against membership. In Austria, only a slim majority is in tavor. The tough problem is the large numbers of undecided. Depending on when the negotiations are completed, the voting could come in the summer of 1994, at

How do you see East European countries fitting into the EC?

I am hesitant to talk about it es long as we are not a member, but my personel leeling is that the EC is probably the last organization to which they will be admitted.

Because the Community will need tive or six years to digest the new members we have been discussing. and these countries are already relatively well-adapted. So the hope is

What do you recommend? They should join EFTA [the Euro-

pean Free Trade Association]. EFTA has always been a bridge to the EC. By being in EFTA, outsiders can deal with Brussels on a multilateral basis. while learning the tricks of free trade and gaining more respectability. How can Europe compete more ef-tectively in the world economy?

We ere not going to make it by imitating East Asia. We need to develop a new, imaginative division of labor through more flexible working hours for some companies it might be a tourday week. We need to place a much greater emphasis on quality. What is your reaction to the recent

EC proposals to boost its economic growth by public spending, and fiscal and other stimulative measures? I am not sure the Community is the best plece to do this. The OECD, comprising 24 countries, might be better

placed for such initiatives, coordinated with the EC, of course. A good time for a "Big Bang" initiative would be at the time of the OECD ministerial meeting in Paris next June 7 and 8.

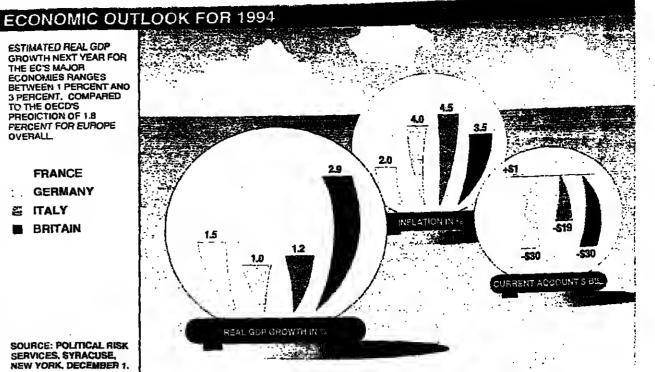
GROWTH NEXT YEAR FOR THE EC'S MAJOR ECONOMIES RANGES
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Frankfurt's New Profile as EC Financial Center The choice of Frankfurt as the site of the new European Monetary Institute (EMI) and of its successor, the European Central Bank, is focueing worldwide attention on a city that is already well-known for its thriving financial community. More foreign banks are expected to locate in Frankfurt as a result, supplement-

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#### Site of more than 400 financial institutions

ing the German institutiona that have reported impressive resulte this year.

The announcement, made at the special European Community summit held in Brussels on Oct. 29, was greeted by German Chancellor Halmut Kohl ae an "overwhelming vote of confidence in our successful currency policies aimed at achieving monetary stability." Given that the German central bank, tha Bundasbank, was already

located in Frankfurt, tha choice, ha added, reaffirmed tha city's reputation as a focal point for the fight against Stock Exchange, in the city. By creatinflation as well as a symbol of stable

currencies Located on the river Main in the heart of the Europaan Community, Frankfurt is already tha home of more than 400 financial institutions. Neerly two-thirds of these, including euch money-center giants as Citibank of the United States, are from other countries in Europe, North America, Asia and

Latin America Germany'e own leeding benks - including the Deutsche Bank, Dresdner Bank, BfG Bank and mortgage institutions such as the Deutscha Hypothekenbank Frankfurt, the Frankfurter Hypothekenbank and

Allgemeine Hypotheken Bank – have their headquarters in the city.
This year, the Frankfurt Stock Exchange; the Deutscha Terminboerse, the futures and options exchange; and the Deutscher Kassenverein, the financial settlements organi-

ing e financial trading complex under one rool that will be one of the most modern in the world, Frankfunt's posi-tion as a financial center will be further

enhanced. Computerized share dealing for leading equity and fixed interest issues as well as ecreen-besed trading for tutures and options are now possible. Even before the move, the Frankfurt Stock Exchange alone accounted for almost 70 percent of total securities turnover in Germany.

As e result, banking and insurance today account for almost 20 percent of Frankfurt's gross domestic product and about 10 percent of its work force. Still others are employed in a host of ser-vice industries - law, accounting and computer firms, as well as journalism related to the financial sector.

Germeny's own banks are experiencing ona of their most profitable years yat. Figures for their 10-month

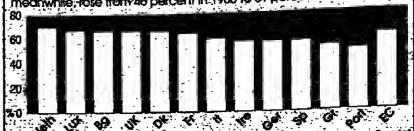
results, due out shortly, ere expected to show windfall profits from the huge rise in trading this year on German stock and bond markets. In the meantime, commission income has been rising. while lending to East Germany and to other parte of Eastern Europe has

Whila loan-loss provisions, made necessary by the continued recession at home, are likely to eat into some of these gains by year end, the expansion of cross-border operations to win a larger market share in the European Community is expected to offset some of the losses

Deutsche Bank, the country's largest quoted bank and e mainstay of the Frankfurt financial community, is building up its investment banking and expanding its government securities trading activities in France, tor example, while Dresdner Bank, the secondlargest, recently completed a cooperation agreement with the French giant, Banque Nationale de Peris.

# EMPLOYMENT IN THE EC SERVICE SECTOR

As of end-1991, 60.8 percent of those employed in the EC worked in the services sector, a 10 percent increase over 1975. Productivity, meanwhile; rose from 46 percent in 1988 to 61 percent in 1991.



Services / Gaining Ground

# In Service Sector, More Doesn't Yet Mean Cheaper

vice sector has finally achieved a size and sophistication commensurate with its territory. The move into services has been caused by underlying economic trends and abet-

ted by the political decision to create a single European market. Yet the market's creation has not, by any means, yet lowered the prices of these services.

By any applicable criteria - amploy-ment level, total output or productivity the EC's service sector has caught up.
As of the and of 1991, according to Eurostat, 60.8 percent of all people employed in the European Community worked in the tertiery sector, placing tha Community between the United States, at 69 percent, and Japan, at bo

percent.
This figure was 10 percent higher than the EC's 1975 level, Even more striking was the rise in total output, from 46 percent in 1988 to 61 percent in 1991. According to trade analysts, this iump is the "footprint" of the Single European Act's market integration di-

This combination of a genaral, long-term use in service-sector employment and a sharp, quick-paced increase in its turnover points to another positive effect of the single market: higher rates of individual productivity.

Today, according to a report released in early autumn by the EC's directorate for economic affairs end finances, tha EC'a sarvice sector is more productiva - in terms of value edded per individual employee - than its industrial one. This reverses both the EC's pre-1988 track record and the current ones of tha United States and

According to the Institut der Deutschen Wirtschaft, the Cologne-based economic think tank, the current figures for the service sector are, it anything, sharply understated. As the institute points out in a recent report, many large European companies have en increasingly important service com-ponent in their mix of activities. Examples of these "service providers masquerading as manufecturers" ere numerous in the information technology, electronics and telecommunications sectors. These service activities are often the guarantees of corporate profitability and ovarall rates of employment. In Garmany, tha Institute estimates, this misclassification has undercounted the country's service sector by a good 10 percent.

Nowadeys, even nominally standard products ere often more services than goods. AGFA-Geveert AG, the Levelouse horsely event agents of the control of the con arkusen-based producer of printing and graphic imaging equipment and supplies, recently launched its AGFA ss computer-based onnix system. This product comes with such additional services as training, maintenance contracts end "long-term support." Many of its innovative "service" faatures - integrated post-printing de-livary among them - are attributable to the system's extansive built-in soft-

Signs of the service sector's axpan-sion are to be seen in all categories: retailing and repair, hotels and restau-rants, transport, finance, communication and services for corporations. Helmut Ricke, chairman of the board at Germany'e DBPT Talekom telacommunications authority, puts tha current size of Europa's market for telecommunications at \$145 billion, up 23 parcent over the last threa years. Today, sarvices account for 71 percent of that. By 1995, services are predicted to amount to 73 percent of a \$175 billion telecom markat. Mr. Ricke attributes this ongoing growth to several factors, including daregulation, international standard-setting and the lorging of alliances and opereting groups among

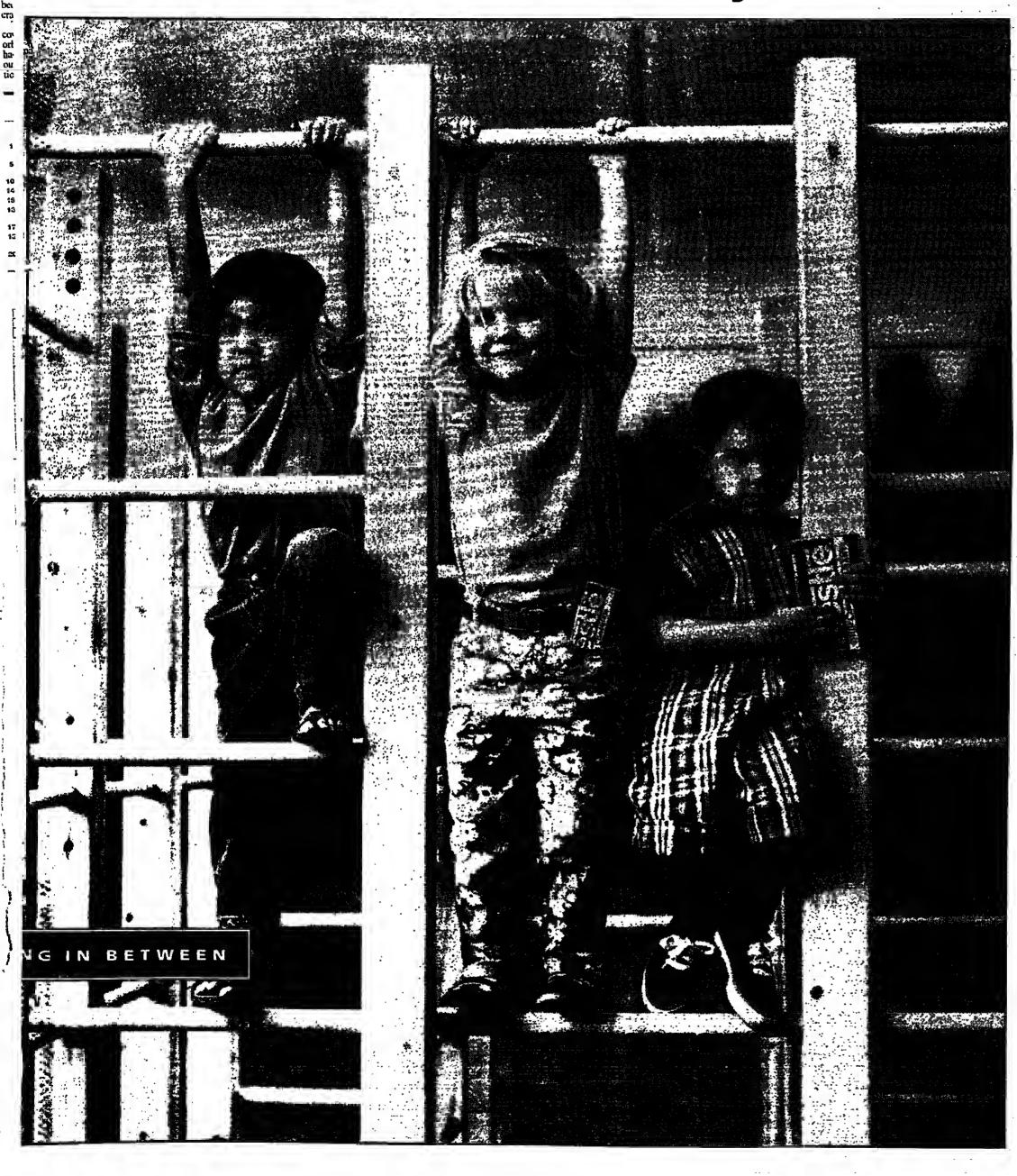
national suppliers. This was projected in the Cecchini report, which originally sat forth the benefits of instituting the single market. Ona key prediction in the report has not materialized, howevar. Increased competition and access to previously closed national markets have not yet lowered the price of services - in tact. quite the opposite, according to the EC's committee of central bank presi-

In 1992, the average price of induatrial goods rose 3.2 percent in the EC, and that of services 6.6 percent, thus exacerbating a decada-long gap. While calling the service sector "a prime inflationary factor." the committee sees one sign of hope: "The liber-alization of the EC's domestic market should soon start bringing more stabil-ity to prices."

Anton Rander, EC axpert at Westdeutsche Landesbank Girozentrale (WestLB), explains the reason for the lag between directive enactment and the creation of an open merket. "In such important areas as the eliminetion of local prefarence and eccess regulatione in the bidding for public-sector contracts, changes in the legal status have not yet led to new groups' securing orders - and for a simple reason. It takes time for national service suppliars to get to know foreign markets - and here the EC's contract information system is helping - and It takes time for them to crack what are often closed circles."

**Terry Swartzberg** 

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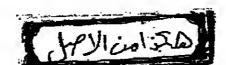


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# Investment in Regions Seeks Balance

A Barcelona student heads for the center created by his own university within the Lyon 2 campus in France. A St. Etienne busineseman checks the address of the Rhone-

#### 1994-99 funding: \$160 billion

Alpes region's office in Stuttgart. Textile manufacturers from Italy and Spain discuss with their counterparts common lobbying efforts in Brussela on cheap Asian textiles and how to set up joint export ventures.

Lyon was the focal point for these meetings last month, buf similar gather-

lished by the treaty. Susanna Tiemenn, the Cologne lawyer who heads the EC's Economic and Social Committee, another Brussels-based consultative body, says she hopes the new regional committee,



Brussels is seeking to give empowerment to Europe's

other major European cities within a framework of new regional end city contracts helped by the European Community.

sion proposals. A Europe of Regions Cooperation networks some call it the practical mey be growing fast, but most EC ragional developconstruction of the European Community - has ment grants remain allocatbeen advencing, both be-fore and after the Maastricht ed for major infrastructure projects, such as highweys and bridges in Greece. treaty dabale. Another step forward will be the Jenuary Extremely large sums, second only to egricultural launching of a 189-member Committee of the Regions -

subsidies, are dispersed by one member for each region Brussels to bring the poor- a consultative body estabest end ferthest-flung regions economically Into line with their richer cousins and so create a more hermonious Europe.

named by the 12 EC gov-

emments, will speak for the "small units" in Europe and

thus influence EC Commis-

Bruce Millan, EC commiesionar for regions and responsible for allocating funds, which are two-and-ahalf times higher then during the previous six-year period, has called for an updated "Europe 2000" policy now that the new German states are among the underprivileged regions. Tha demise ot communism in Easlem Europe has given greater Europe whet he calls "an aast-west emphasis differing considerably from the predominant north-south bias of Western Europe af-

ter the last World War." Mr. Millan notas that investment flows toward the fberian peninsula, Scotland and Ireland, with their fow labor costs, are slowing. The more mobile investments, aspecially in services, are again concentrating in the more accessible centrat regiona of the Com-

In other words, harmonization of Europe's ragions is a greater-than-ever ne-

Around two-thirds of re-gional funds, which will total more than \$160 billion ovar the next six yeers, will be spent on transport, public works, industry and tourist projects. This will go to regions in Portugal, Greece, reland and Spain, es well

as to areas in richar nations thet can prove they ere "Objective 1" ragions, defined as having an output thef is 75 percent of the EC evar-

em Ireland and Corsica.

Greece, Ireland, Portugal seven-year "cohesion" fund

Water-quality programs in Portugal and Spain will also benefit from EC largess. In Irelend, which receives the most monay per person under the cohesion scheme, one project to receive EC aid will be a new tourist resort outside Dublin, Andalusia, the Algerve and tha Aegean islands have benefited from tourist eid in the

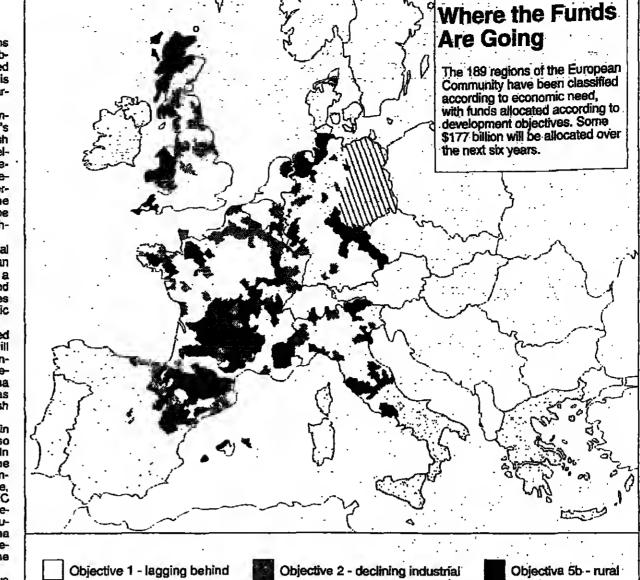
Less-deserving "Objective 2" regions of high unem-ployment and industrial decline include e number of regions in Britain, France and Germany. Some \$50 billion is on offer for retraining workers and the restructuring of industry, important inducements for foreign in-

The growing networking between regions, cities end towns is also widely funded - more than a billion dollars for so-called INTERREG projects - and often eccompanies existing cross-border cooperation. They progress

The "poor four" find themselves ranked with Britain's Merseyside, the Scottish Highlands and Islands, Belgium's Heinault border region, the corresponding region ecross the French bor-der, Abruzzi in Italy, the Netherlands' Flevoland, the new German states, North-

and Spain will also share an edditional \$17 billion from a to bolster thair economies before aventual economic and monetary union.

The high priority accorded to improved transport will mean money for the Spanish high-speed rail line between Madrid, Barcelona and the French border, as well as Portuguese and frish



Both Objective 2 & Objective 5b

despite competition for for-

In enother sphere, powerful ragions such as Rhône-Alpas, Lombardy, Catalonia and Baden-Württemberg (the last-named stunned by Mercedes' decision to build its latest plant in Alabama), have not awaited e green light from Brussels before creating frameworks for their industries, businesses and research institutes to work

eign investment.

together on specific proects. Likewise, chambers of commerce in Blrmlngham. Turin, Frankfurt, Milan and Lyon work closely together and have extended their co-

operation to Lodz, Poland. Regions stand to gain much from continuing highwey improvements, futura Afpine and Pyranees train tunnels and e future \$150 billion European high-speed train network, ell projects in

which the EC is involved. INTERREG end cooperation network programs cover e very wide range, from environmental and telecommunications collaboration between Denmark and Garmany to ragional roads;

| Eligible under Reg. 3575/90 (Eastern Germany)

tourism, employment end cross-border technology exchanges between smaller companies in the Rhine-Waal region of the German-Dutch border. Joint eco-

nomic steps, notably tourism end environmental protec-tion, are under way in the mountainous Franco-Italian border region.

Elsewhere, an Alsace-Beden-Württemberg program takes in non-EC neighbor Basel, Switzerland, and a major Spanish-Portuguese program in-cludes a \$100 million road between the Algarve and

Luxury Goods / Opening New Markets

### **Purveyors of Luxury Are Looking to Asia**

The boom times of the 1980s are over for Europe's luxury goods industry, with champagne and cognac sales faiting es the European recession and the Japanese economic crisis continue. On the bright side are the perfume and beauty products, end the large pctentiat of other Asian markets, including China. In the meantime, companies are restructuring and tightening their belts.

The Comité Colbert, an organization grouping 73 French luxury-goods companies, reported a turnover of 30 billion francs (\$5.1 bil-

#### China could be the next frontier

lion) for its members in 1992, representing a 2.45 percent increase over 199: Exports increased by 4.35 percent. Exports to Japan account for slightly more than half of members' Asia-Pacific business, and together with Hong Kong and Singapore, 75 percent Worldwide, the Asia-Pacific region accounts for 25.8 percent, as compared with only 12.1 percent for the United States, 28 T percent for France and 25 1 percent for the rest of Europe, Japan atone accounted for 13.2 percent of sales.

The problem for luxury goods companies, however. will be holding on to this lucrative market. The traditional Asian markets for luxury goods are losing their bloom as Japanese companies cut back on spending and Japanese consumers reduce their consumption of expensive, too name cognac and champagne, and Hong Kong shoppers turn away from luxury brands in favor of cheaper lesser-

known names and designer

knack-offs. In the first half of 1993. the net income of LVMH Moet Hennessy Louis Vuitton SA, which accounts for two-thirds of the French luxury-goods Industry's sales. dropped 28 percent, to 935 sales were up 4 percent. The company's cognac sales to Japan, which accounts for one-fifth of its cognac business, dropped by 17 percent in 1992.

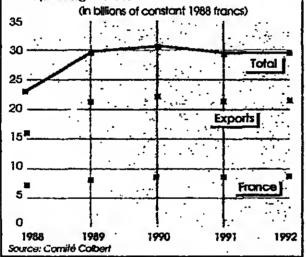
As a consequence, luxury goods companies are taking a closer look at other growing Asian markets, such as Taiwan, Singapore, Thailand South Korea and especially China, with its populakon of over 1 billion. As one observer points oul, even if only 5 percent of the popualion buys, that still represents a larger market than many in Europe.

European retailers are being cautious, however, about setting up establishments in China because of ils lack of infrastructure, political uncertainty and potential toi counterleting. Nevertheiess. Cartier opened a boutique in Shanghai in October: Louis Vuitton, Eimenegildo Zegna and Celine have shops in Beijing; and Italian lashion designer Laura Bragiotti recently signed e confract with China's overseas investment company. Citic, to design clothing for the comestic market. Au Printemps, the largest department-store chain in France, announced in October that it would open a six-

story store in Shanghai in 1994 In reaction to the market slump, luxury-goods companies are also restructunno. In November, LVMH announced the sell-off of its RoC cosmetics unit to Johnson & Johnson at a reported price of \$169.2 million. At the same time, the

#### ACCUSTOMED TO ITS STYLE

The Comité Colbert, the French association of 73 luxury-goods makers, shows turnover stabilizing after peaking in 1990.



company announced a restructuring of its champagne business, naming Yves Benard, tomerly president of the Moet & Chandon, as head of all LVMH's champagne business. The company is considering the resale of operating rights for Henriot champagne to Joseph Henriot, president of Veuve Clicquot, another of the conglomerate's sub-

LMVH's champagne and cognac businesses ware hit hard by declining consumption, a markel glut of champagne, anti-atcohol campaigns and competition from lower-priced brands. In May, & Chandon announced that il would lay off 230 employees over 18 months because of declining profit margins and increasing costs.

Other upscale liquor purveyors are also suffering from declining sales. Pernod Ricard's sales fell 2.4 percent in the year to March 31, 1993, and Remy-Coin-treau's dropped 9.9 percent in the same period.

The Louis Vuitton leathergoods division of LVMH, however, showed an increase in operating profits in the first half of this year, and pertume sales are also up. LVMH recently acquired the profit-making fashion

house Kenzo, which elso produces luggage, leather

goods and perfume. in other recent industry moves, the new Vendome Group, which will include Cartier, Dunhill, Plaget, & Mercier, Mont-Baume blanc, Chloe and Karl Lagerteid, was created by the separation of Rothmans International PLC and Dunhill Holdings PLC, both con-trolled by Compagnie Financière Richemont AG.

September, Bahrain-based bank investcorp bought out Maurizio Gucci's 50 percent share in the ailing luxury leathargoods and clothing company Gucci, whose image has been tamished by overfranchising and overfamiliarity. investcorp already owned 50 parcent of the company and plans to continue the restructuring of the company, which showed losses of \$25 million in fiscal 1993.

Hermes is one luxury outfit that has maintained its exclusive image. The maker of the tamous silk scarves, which also has clothing and leather-goods lines, report-ed a 45 percent increase in net attributable profif in 1992, to 176.2 million francs. Sales were up by 2.5 percent, to 2.46 billion

# The Four-Day Week: Solution or Sop?

Work Week / When Less Is More

Wolfsburg is at the door. European politicians and industriel leaders ere waiting for early reports next year from Wolfsburg, the home of Volkswagen's corporate headquerters, on the company's experiment with the four-day

Across Europe, thera is increasing sentiment for remainly in the form of the four-day week - as e means of saving old jobs and creat-Ing new ones. But there are plenty of critics, end both

#### Concept still to be proved

sides ere eager to find out whether the shorter week works for VW.

Sales next year for Volkswagen, Europe'e largest single eutomaker, are expected to be about 1.4 million, the same as this year, but down 200,000 from 1992. To stop losing money, the company said it would have to lay off 30,000 workers unless drastic steps were taken.

Late fast month, the company and the German autoworkers' union reached a tentative agreement to take drastic steps. As of Jan. 1, more than 100,000 VW workers et six different plants will shift from e fiveday, 36-hour work week to a four-day, 28.8-hour week. Their pey will drop by 10 percent, but the cut will come primarily in the torm of a reduced year-end bonus. VW says it will sava \$2 billion in wages and benefits

over the next two years. The new plen, nonetheless, will not be sufficient to guarentae the 30,000 en-dangared jobs, the company announced several days latar, citing production cuts in its plants in Germany.

The experiment is scheduled to last at taast through 1995, but Volkswagen says



Jürgen Peters of IG Metall (left) and VW's Jochen Schumm announce the reduced workweek of 28.8 hours in four days.

it will continue to spread work shifts over five days, so that the longer workweek can be restored quickly if there is e demand for more

Most polled in Garmany, where a 37-hour week with six weeks' peid vecation is standard, seam to like the idea. A solid majority in national surveys supports the notion of e shorter workweek end less pay in ex-

change for job security. The idea of a shorter workweek, at feast until the recession is over but maybe forever, ie also gaining pop-ularity in other European countries, including France, Belgium and Spain.

tn Itely, the slogan is: "Work less, and everyone WORKS.

It is in France, however, that the four-day week is becoming a national cause. Pierre Larrouturou, e menegament consultant in Paris vho has become known as "Larrouturou le Gourou," is leading the campaign for a four-day, 33-hour week toreplace the current five-day, 39-hour week. Claiming that shorter hours will create millions of new jobs, without hurting productivity or the competitiveness of French products on world markets, he is calling for e nebonal referendum to make the four-day week netional law by 1996.

Michet Rocard, newly elected leader of Frence's opposition Socialist Party. calls the shorter week an urgent, worthy and respon-sible objective." He says: "People want to get more out of their lives than heving a steady job, even if they have to sacrifice e little income. An extra dey would improve family relatione and encourage people to use their time to learn new sub-jects and skills. That, in turn, would help the economy because people would be eble to adjust to rapid technological change rather than re-

main stuck in the past." The Conservative prime minister, Edouard Balladur, is not as keen. More regulatione on employers hardly fits in with his philosophy of promoting private business and labor flexibility.

Theory is one thing, of course, and practice anoth-ar. In Saint-Cosme-en-Veirais, e town of 2,000 dominated by the local Simmonds euto components factory, the plant's 600 employees were recently asked to vote on the company's future employment policies. Either 150 jobs would be cut and hours and wages would remain the same, the company said, or the wages and hours could be trimmed and only 110 jobs lost. The workars voted to keep their pay, even if that meant 40 more co-workers would be laid off.

In Wolfsburg and in other German towns with VW

plants, workers so far seem. satisfied with the four-day week, despite the fears of some union leaders that the shorter week might be used to force workers to produce as much as they did in five days.

Many economists, on tha other hand, fear that a four-day week will only add labor costs - mostly in the bene-fits and administrative costs required for keeping on more workers - and thue hurt productivity.

Critics say the VW move is cynical and desperate, born out of political pressure from the company's lergest shareholder, the govern-ment of Lower Saxony. The current government is a So-ciel Democrat/Green Party coalition that may prefer not to be embarrassed by big layoffs before the next local elections in Merch.

in any event, it has yet to be proved that e four-day ek can help improve productivity or competitiveness, or that it can help make betfer cars. Skeptics say that VW still has 30,000 workers too many and will continue to be plagued by overcapacity and inefficiency.

Europe, the critics say, appears to be focused on sharing jobs that exist todey - end ere disappearing - instead of concentrating on creating new jobs for tomor-

"Volkswagen has to cut costs - there is no other option af this point," says Peter Pietsch, an economist at Commerzbank AG in Frankfurt. "But the shorter work weak is not the solution for bringing Germany out of recession. We need to work more, not less."

Economic Outlook / Structural Stress

# Free Markets in Collision With the Social Safety Net

Continued from page 11 Calingaert, a Brussels-based consultant who is also a senior policy researcher at the National Planning Association in Washing-Ion, says economic logic dictales that European governments should cut their spending and rein in social welfare programs. "Bul Ihal's economic logic, and it runs counter to political and social pressures," he says. "Any democracy, once it has given people those kinds of benefits, finds it very difficult

to take them away. How Europe can square inflexibility of both labor and management. !hal circle. I don't know."

Instead, Europe seems to be lurching about seeking stop-gap maesures. Yes. culs in interest rates may boost investment, the lour-day week may keep some people at work a little fonger and multibillion-dollar infrastructure projects may temporarity boost employment in some areas. But none of those measures will change the unproductivity. high costs of doing business and

Bob Hormats, vice chairman of Goldman Sachs International, describes himsalf not as a Euro-pessimist, but rether as a Euroskeptic who still sees some hope. "Yes, it's possible for Europe to come back, but that is going to require sustained restructuring of both industry and the work force," he says. There's still a lot of painful cost-cutting to be done before Europe can strengthen competitively. And it's going to be more difficult adjustment."

than it was in America because Europeans are used to that higher social safety net." Mr. Hormets adds, however, that Euro-

peans are ewara that major changes are necessary. "The public, I think, wents a clear message," he says. "Thay want to be told what's wrong with the economy, what has to happen to put it on the road to sustainable growth, how long it will take, end what pains will be necessary to make the

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#### World Trade / Barriers to Agreement

# **GATT: The Grappling Goes On**

مكذامن المنها

The long drive toward a new General Agreement on Tariffs and Trade treaty has been both helped and hurt by the global recession.

On one hand, there is widespread agreement that free trade is a spur to economic growth; it is one way to help the world climb out of recession.

On the other hand, hard times are a big reason that Individuel countries and trading blocs ere fighting so hard to preserve their threatened industries. If times were not so hard, it is less tikely the current GATT treaty would be coming down to the Dec. 15 deadline currently imposed by the U.S. "fast treck" timetable.

The one thing that is certain is that no one country indeed, no one trading bloc - is eager to be left out. Without GATT, many believe trade would be restricted among three "fortresses," or regional treding blocs: Europe, the Americas and

Asia. During more robust times. free trade wes not such e worry - perticularly in Europe, where commerce emong the 12 countries of the European Community single market eccount for en estounding one-third of all world trade. However, Peter Sutherland, the director-

general of GATT, says the notion of falling back on regional blocs nowadays is self-defusion." He adds: "Economic blocs either remain open within the multilateral trading system - if thet system is etive end healthy - or they turn inward and become fortresses. If it

is the latter, then the prospects for long-term growth and job creation ere. even inside the fortress, doomed." GATT, initiated during the recovery from World Wer II

in part to aid in the rebuilding of Europe, became more important as the old multitateral trade system - with countries forced to negotiate trade on a one-to-ona basis. commodity by commodity and product by product began collapsing in the 1960s and '70s.

The theory that GATT followa is that frea trade is good for the world. Under the theory, free world trade means open global competi-

Without tariffs, subaidies, quotas and other frade restrictions, the open market will fevor the best products - those that offer the mix of quality and price that countries, companies and consumers want. Products thet are not good or ere too expensive will fall by the wey-

This efficiency will reward

The following figures show imports and exports among the European Community,

the United States and the Pacific Rim nations in 1992 (in billions of dollars).

WORLD TRADE PROFILE

productivity, eccording to the theory, which wilt in turn help keep prices low and quelity high. More goods and services will be offered and sold, and the Holy Grail of 21st-century economics sustainable growth - will be achieved.

By 2005, according to e new report by GATT economists, an egreement raached naxt week could boost world trada by as much as 12 percent, and meen a \$230 billion increase in world income. That is just in trade growth, the economists add; freer markets are bound to add tana of biltions in naw production, tco.

No one can say exactly what this would mean to everydey lifa, but certainty those figures would translate into hundreds of millions of additional jobs and better living standards - for many much better living standards throughout the world.

While it is certain that the biggasf importers and axporters, the major industrialized nations, will reap the biggest initial benefits from a new GATT pact, it is significant that 88 of the 116 GATT members ere devetoping nations.

For those nations trying to "catch up," GATT would offer special provisions to make it easier for developing countries to import in-

U.S. representative Mickey Kantor (left) and the EC's Sir Leon Brittan negotiate in Brussels. dustriel products that increase productivity end raise living standards. Similar special provisions would promote trade for textiles clothing, fish and "tropical" axport market. products that are critical to

developing-world export growth. Despite alt the promised benefits, however, this week's 11th-hour negotietions between the United States and the EC in Brussets might not have happened without severet de-

INTERNATIONAL HERALD TRIBUNE, THURSDAY, DECEMBER 9, 1993

velopments this autumn. For one thing, Europe has been uneasy about the United States' move toward closer economic ties with Asia. For example, when the EC formally asked for a seat at the table - as an official observer - at the recent Asian Pecific Economic Cooperation summit in Seattle, the United States and the other 16 APEC nations said

The rejection stunned EC officials, and reinforced the growing worry in Europe that the Clinton administration is turning awey from a tired, troubled Europe in favor of the shining promise of

From less than 5 percent in the 1960s, Asia now claims 25 percent of world production, and the United States is now doing 50 percent more trading across the Pacific than across the Atlantic. East Asia has become the United Statas' top

This worry about becoming an also-ran as the United Statas and Asia beld hands surely helped push the EC, and particularly a recalcitrant France, back to the negotiating table.

Perhaps even more significant, however, wes President Clinton's victory in pushing the North American Free Trade Agreement through Congress. The triumph provided a threepronged spur on the eve of the Dec. 15 deadline - the last day Mr. Clinton can tell Congress he will present a GATT treaty bafore expiration of a special "fast track" ratification process that could save additional years I negotiations.

First, it gave the Clinton administration renewed purpose in approaching the GATT talks. Second, it convinced Europe, and everyone etse, that Mr. Clinton was indeed committed to free trade. Third, the pollticking to get NAFTA through Congress showed that the Clinton administration was willing to compromise to achieve a trade

agreement. Compromise it did, evan on issues such as the 1992 Blair House agreement, under which the EC had agreed to cut agricultural subsidies. Even after repeatedly vowing not to meat France's demands to rena-

gotiate the farm pact, the administration did just that last weekend. Whatevar happans between now and the deadline, the only certain thing is that nothing is certein. Ne-

gotiators are still meeting in Geneve on the textile trade. Frence is still dissatisfied with many areas of the agreement, including agriculture, industrial tariffs, new global trading rules and what has tumed into the bugbear of films and television programming. Anything could happen at the EC summit, or at the ensuing meeting of EC farm minis-

Even at the last minute, French Prime Minister Edouard Balladur may yet decide to give his parliament a chance to vote on GATT.

Early in the week, Mr. Balladur was warning that "an excessive optimism" had characterized the 11th-hour negotiations between the EC's Sir Leon Brittan and Mr. Sutherland.

**Business Briefs** 

Europe. By 1997, this ligure is sef to rise to 427 million, according to industry sources. Today, 40 percent of all smart cards are used to withdraw money and for other financial transactions. By 1997, health-system and public-transport payments will be the fastest-growing sectors. Big gainers from the smart card boom are Euroce's chip menulacturers, which are currently laaturing double-digit

rates of growth.

The Munich and Nuremberg areas have been classified as top European growth regions. according to a current study of Europe's leading technology regions. Tha study was conducted by ERECO (the European Economic Rasaarch Consortium), a network comprised of 17 economic think tanks tocated in 12 nations, and commentad upon by Wirtschafts-Woche, the German business weekly.

"Europe's leading technology region is still Munich, states the report. It is, however, "lacing increasing competition from all throughout Europe," and especially from within Bavana itself. "One of the Continent's up-and-coming regions" is the stete's Nuremberg-Erlangen-Fürth "technology Iriengle." The greater Munich erea's array of high-tech companies has been ranked best on the Continent.

 Plastics processing, electronic technologies and printing are set to be the world's manufacturing sectoral growth leadars, eccording to a recent Prognos study. Plastics processing's forecast growth of 6 percent until the year 2000 leads the pack of 18 individual sectors. Bringing up the rear: clothing, at e modest -0.2

percent. · Judged by total working days, the Norwegtans have Western Europe's

There ere currently 46 longest working yeer million "smart cards" in and their Finnish neighbors its shortest, eccording to recent surveys. The Norwegians have an average of 21 paid days ot vacation plus 8 official holidays. The Finns, on the other hand, have the same number of hotidays. but 37.5 days of vacation. The Spanish celebrate the most national holidays: 14. However. judged by average hours actually worked a year average working weeks, minus days lost to illness, vacation and holideys, the Germans beat the Swedes as being Western Europe's "stayat-home champions." Germany leads

France and Britain in total research end davelopment expenditures by industrial companies. Whan calculated on the basis ot per research department slaff member. Italy ranks first, ahead of France and Spain, according to a recent survey conducted by the Stifterverband für die Deutsche Wissenschaft, Germany's association of scientific foundations. All told, the EC's industrial companias spent 66 billion Ecus (\$73

billion) in 1991. By one criterion, Hungary has been the world's leading target of outside investment during the last two years. According to the World Bank and the OECD, just under a quarter of the country's total gross investments in structures and infrastructure cama from outside the country in 1991 and 1992. Placing second and third in Europe have been Portugal and Britain.

 On e long-term basis, the EC does promote a high degree of economic integration. According to the OECD, the EC's lounding member countries increased their intra-Community exports as a portion of total exports trom 47 percent in 1957 to 64 percent in 1992. T.S.

Monetary Union / To Be or Not to Be?

# In Search of Exchange-Rate Stability

lic attention in Europe is gence less, rether than currently focused on rismore, likely. The combined ing unemployment, company restructurings and Community is expected to cuts in public spending shrink by almost 0.5 percent caused by the continuing recession, European Community leeders, bankers and businesspeople ere increasingly concerned about future monetary end financial policy. With the second stage of the Europeen Monetery Union (EMU) outlined in the Maastricht treaty due to come into effect on Jan. 1, debate is growing about how, and whether, to proceed as planned.

والمنط الإراز وأياس

Signs that all was not well erupted in September 1992, when both the English pound and the Itelien lire were effectively taken out of the Exchange Rete Mechanism (ERM), the system of ensuring stable currencies for the 12 member countries set up under the EMU plan. Last August, further turmoil erupted as merkets eround the world tested the Community's commitment to the parities fixed by the ERM. The result was that the existing bands had to be widened to 15 percent for all the remeining currencies except the Deutsche mark end the Dutch guilder, which are still tied to their previous ranges of 2.25 percent.

Under the terms of the EMU, es egreed at Maestricht, all of the 12 members of the European Union, excluding Denmark and Britain, heve agreed to creete a singla Europeen currency by 1999 at the latest. To echieve this, some enalysts ergue, exchenge-rate parities will have to be restored to their original narrow bands in the near term, before they can be successfully unified.

Moreover, the treaty sets up a complex set of economic convergence criteria - covering rates of infletion and public-sector borrowing as well as exchange-rate sfability - that member states will have to meet prior to the implementation of the third stage of the EMU: the single currency launched under the supervision of a European Central Bank.

The problem is that the recession, together with turmoil on foreign exchanges,

While much of the pub- has mede such convermore, likely. The combined economy of the European this year, eccording to EC Commission estimates, while employment is expected to rise by almost 2 percent. Although the Commission expects gross domestic product to resume its upward trend next year, to about 1.3 percant, othar enelysts in the Europeen banking community ere elreedy seying it could be just 1 percent or less. Moreover, despite resumed growth, unemployment in the 12 member states is projected, eccording to the Commission, to use from

10.6 to 11.2 percent in 1994. Equelly gloomy ere pro-jections that the total publicsector debt of the EC could emount to 6.5 percent of gross domestic product by the end of this year, double

100

98

96

Source: Datastream

the Meestricht target.

Sticking to a 3 percent limit,

say some European Parlia-

menteriens, could tower

overall economic growth by

up to 2 percent next yeer.

For this reason, they wenf

the Meastricht rules to be

relaxed, which they insist is

possible under a clause in

the treety that allows for

such a development in

exceptional circumstances.

that monetary stability and

adherence to the staged pol-

icy of monetary union out-

ined in the treaty ere essen-

tial to recovery and to

Europe's international com-

petitiveness. Belgium's role in decisions concerning

Others, however, ergue

THE PRICE OF DIVERGENCE

finance minister, Philippe Maystadt, used the weight of his country's current presi-dency of the EC to endorse such a view in e speech to the Europeen Finence Convention in Brussels in November. The ERM crisis and the introduction of wider fluctuation bands last summer mede closer coopere-tion imperative, he ergued. Without what he called 'a significant quelitative im-provement" in exchengerete stability, the goal of monetary union by the end of the decade could be at risk, he said.

The Commission's president, Jacques Delors, who is preparing a major policy paper on growth and competitiveness to be leunched by the EC, also says that the echievement of monetery stebility is "essential." Speeking to ministers in Brussels at the and of October, he pointed out that because almost two-thirds of

Taking early September's exchange rates as a reference, this graph shows how the pound, the franc and the lire have fluctuated against the mark since then.

EC trade now takes plece

between the member states

themselves, competitive

devaluations - carried out in

an effort to boost an individ-

ual country's exports - cre-

ated a "no-win situation" for

Europe as a whole. Instead,

he said, "Coordinated action

can bring realistic growth of

3 percent and an unemploy-

ment rate of 7 percent by the

To achieve progress, Mr.

Maystadt end ofhers have

proposed that the new

European Monetary Insti-

tute, the precursor of the

central bank, should be

aflowed to play a greater

end of the century."

Deutsche marks to 1 pound sterling

Deutsche morks to 1,000 Italian lira

Deutsche marks to 100 french francs

the entry or realignment of currencies in the ERM and in netione! policy decisions taken by the existing central banks. Such proposats, however, are likely to be opposed by countries that want to relain the freedom to devetue their currencies should the recession worsen, as well as by Britain and Denmark. While EC teaders are due to thresh out the arguments et their summit in Brussets Dec. 10-11, few observers expect e quick

In eddition to easing the conomic uncertainties within Europe, resolution of the issue could have e positive impact on foreign investmenf in EC member states. Invastors would teel reassured about the prospects for low inflation, sound money end the heightened international competitiveness that monetary union in the EC would bring. Stock markets in Ger-

Nov. 1993

many, France, Italy, Spain

and Britein hava been bol-

stered this year by heavy

U.S. buying, as have Gar-man bonds. Europe has also

benafited from heavy Jap-

anese investment during the

past few years. But the ERM

turmoil in August and subse-

quent fears about European

recovery led to a slowdown

this autumn. Concern about

the prospect of sharp fluctu-

ations in exchange rates, a

return of inflationary frends

or prolonged wrangling over

monetary union could

reduce these financial

inflows still further, the ana-

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nation. Agta tilni and graphic systems offer photographers the computer-controlled photo composition systems, digital art possibility to luse reality and illusion, to creatively manipulate an printers and mini-labs ("1 hour labs") - Agta provides vital stimulus in all areas of progress. The Agfa thombus is a shining light in more than 140 countries on all five continents.

NOTHING ESCAPES AGFA.



But the former East Germany is now well on the way to becoming one of the most potentially rewarding regions for international investors.

A compelling argument for this proposition is the ultramodern information and communications infrastructure which Deutsche Telekom has succeeded in creating in such a short time. It will cost a record-breaking investment of more than DM 60 billion, but the eastern part of Germany will soon possess the most advanced and sophisticated telecommunications network in the world. Just as we did in the previous West Germany, Deutsche Telekom is pioneering there the development of the universal ISDN network, international satellite communications, digital mobile systems and fibre optic cable access. In short, the so-called information highways still under leisurely consideration by other countries, are already up and running in the whole of Germany. So for international companies with an eye on a fruitful investment, all the opportunities offered by national and international communications are wide open: from telephone networks and fast data transmission to picture

communications and the multimedia applications of tomorrow.

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We tie markets together.



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ADVERTISING SECTION

Telecommunications / Big, and Getting Bigger

# **Telecom Future Looks Bright** As Array of Services Widens

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Some industry analysts ahead with ennual growth econometric model based predict e fourfold growth in EC service revenues by the year 2010; others dispute the preciae figure. They all agree, however, thet telecommunications will remain one of Europe's fastest-growing industries in the near future.

Telecommunicatione was singled out for special attention during tha run-up to the single market. Open competition was linked to the notion ot e trontier-tree Community, end European deregulation was in turn tied to economic survival in an increasingly global industry.

As the 1980s drew to e close, documents such as the EC Commission's Green Book were trumpeting claims that the industry would account tor around 4. percent of Europe's GDP by the year 2000 and probably underpin one in four jobs.

More recently, the Arthur D. Little consultancy report, Telecommunications Issues and Options, forecast a fourfold increase in EC services revenues by the year 2010. Based on a current figure of 4 percent to 5 percent in real. revenue terms, it predicts average annual growth rates ol around 7 percent tor.

"Growth rates in the EC: will peak early in the next century," claim the report's authors. They expect basic telephony revenues will register 2 percent to 4 percent. annual growth until the year 2000, then stabilize at about 5 percent, Meanwhile, they say, the tastest-developing revenue eamers, principally cellular and advanced voice services, will be surging

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rates of 25 percent to 30 percent. Overell markat growth will peak et eround 11 percent and then settle beck to 5 percent after the turn of the century, the report concludes.

Long-range forecasts like these are certainly based on viable data; but, like all statistics, they ere largely e metter of interpretation. OECD analyst Dimitri Ypsilanti, for example, takes issue with the report's initial assumption of 4 percent to 5 percent growth. Three percent is not out of the range, but I think 4 percent is pretty high unless thera is a significant contraction in other areas," he says. "A lot can depend on what you include within the service definition, whether you take in companies like EDS or IBM'e networking side. But then the problem is, where do you stop? The Swift banking network is used for electronic fund tranefer, so do you classify it as a banking or telecom activity? The airline

reservation systems are

another case in point.

Setting the boundaries is e

real problem.\*

Says David Cleevely, maneging director of independent consultants Analyeys: "The only way to edd further growth is to redefine the spend by taking in new areas such as home entertainment, cellular services and all the associated information industries. The industry will continue to grow solidly, but spectecular growth will depend on the colonization of new areas such as multimedia."

Mr. Cleevely's Cambridge, England-based team built an



turers and regulators must work together.

on the industry's performence ovar the pest 20 years. From e bese of just over 1.5 percent of GDP in 1974, EC telecommunications revenues climb, flatten and then recover to nearly 2.5 percent by the year 2000. The best possible projection, taking into account multimedie applications, is

just over 3.5 percent. Last year, according to the Geneva-based International Telecommunications Union (ITU), the service revenues realized by European Community operators averaged only 1.9 percent of their

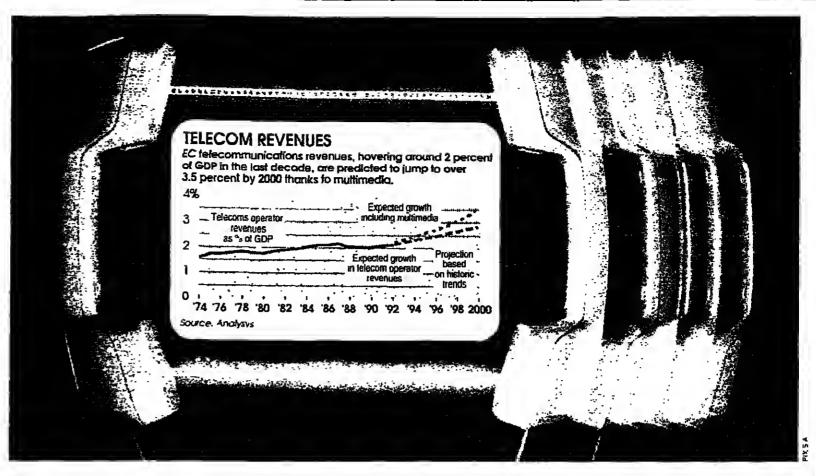
respective national GDPs. There was a wide spread from the Belgian low of 1.4 percent to 2.5 percent in Portugal. Eastern Europe scored even higher, topped by the Czechs and Slovaks with 3.6 percent. But despite these regional differences. tha underlying average remained almost constant.

In real terms, however, 1.9 percent of GDP still represented a healthy \$125 billion, or average earnings of \$362 per head or \$825 per line for Europe's telecom operators last year.

An ITU report due to be published next year, World Telecommunication Development, throws the net even wider. By adding up the total value of operator services and equipment tor use on or with the public network, it comes up with e figure of \$535 billion for world market value in 1992.

"You would expect telecoms, like most sectors, to tollow the overall economy and therefore be touched by the recession effecting most Industrialized countries." says ITU Telecom analyst Michael Minges, "But tele-com is apparently immune; it continues to grow. Says James Woud-

huvsen, an associate director of the Henley Forecasting Center: With multimedia, cabte, home entertainment and mobile coming onstream, we are seeing substantive changes clean across the category. In the United Kingdom at present, for example, Mercury is signing up 10,000 mobile subscribers per month, and five out of six of them are private subscribers." He cations industry's economic contribution, although he is primarity concerned with the technology's socio-economic consequences. "By the end of the century, the phone will have become like another timb. That will change the way we commu-nicate and travel; it will revo-



Audiovisual / Harmonization

#### Standards in the International Television Race

Outside the tetevision laboratories, there is a common perception that Europe is technically backwerd in television technology, Japan and the United States are engaging in a struggle to develop a form of high-definition television that will become standard throughout the world, while the United States is going it etone in euch technologies as digitization. Mean-white, the perception goes, Europe is flagging in the technical race and preparing to decide from whom it will buy the 21stcentury technology for its hundreds of millions of

According to scientists and administrators, this perception is not necessarily correct.

Because of its cultural circumstances, Europe is play-Ing a major role in a grabbag of technical issues that have a vital impact on users of new TV technology. The issues are summed up in one word: standardization.

At the level of the laboratory, points out one European Community source, says experts may be under-estimating the telecommuni-al. While individual nations may predominate in a specific area, many ol the advances that will determine how people use their televi-sions in the future occur on a multinational basis. Implementation of the technology, which determines exactly how much of the potential of technical advances actually becomes available to the public, is a regional matter, however.

The United States and Japan, both of which have homogeneous markets, tace relatively few barriers to implementation of technology. This is not the case in Europe, with its span of cultures, languages and customers.

Indeed, for all its glamour, technology forms just a part of the whole process of delivering television services to viewers. Technology must be adapted to the local conditions - political, intrastructural and the like. "Our message is that, in

order to achieve the potential of the technology, e great deal of navigation must be done," says the EC expert. A major contributor to this

debate is the European group for digital video broadcasting. Digital video is an enterprise that brings together the whole of

In order to make digital terrestrial, cable and satellite television services available to the European public as tast as possible, representatives from broadcasters network operators, manufacturers and raquiators have joined together. "They have all come

together on a voluntary basis," declares Armin Silberhom of the German Federal Ministry of Posts and Telecommunications, who is the group's secretary. "So the group has no legel It does, however, have

strong influence. Earlier this year, it agreed on a memorandum of understanding that has the objective of developing "harmonized digital video broadcasting services in Europe."

That goal, the memorandum states, will be realized through "promoting and contributing to the definition of technical standards for digital television and their widespread utilization/adoption; facilitating the introduction of new services using those standards, which may

include studies on associated matters such as trequency planning and conditional access; and tacilitating the closest possible coordination between pre-competilive R&D and standardization.

Concrete objectives of the

memorandum include draft European standards by the end of this year in order to begin satellite and cable services in 1995; draft standards for terrestrial digital video broadcasting for the end of 1995; a technology base within Europe that will position European enterprises to "fully exploit the market on a competitive basis for digital video broadcasting

cooperation with other parts of the world. Digital technology has tremendous potential. At a technical level, it allows a lot of flexibility, particularly in constructing television systems on a modular basis.

One can imagine, for

technology"; and lacilitating the flow of information and

permits viewers to see a Shakespeere play on highdefinition television with perfect contrast and resolution, or to switch to lour sporting events on the same single screen at a slightly lower level of resolution, or to take in 16 game shows, again on the single screen, at lower resolution yet. In addition, digital technol-

example, a TV set-up that

ogy permits far more efficient use of the electromagnetic spectrum than Is possible with analog technology.

Digital technology will only gain acceptance in Europe. however, once the appropriate standards are set in place. That is the task of the group for digital video broadcasting. Meanwhile, the group is

keeping labs on digital technology as it develops. "We are in contact with the United States and Japan," says Mr. Silberhorn. "The European project is moving

Peter Gwynne

#### lutionize work and leisure In pan-European satellite service, broadcasters, manufac-Steven Bartlett Conversion / New Businesses for Old **Trading Industry for Business Parks**

month were reminders that conversion of Europe's declining heavy industrial sectors – coal, steel, iron ore, textiles and others - still has a long way to go, despite money from Brussels, the affected regions and their centrai governments.

Lorraine, in eastam France, has lost 110,000 jobs in these sectors since the 1970s, tollowing an earlier slashing of 40,000 jobs. The European Development Pole, centered on Longwy, a distressed steel town, and encompassing neighboring areas of France, Belgium and Luxembourg, aims to provide 8,000 new jobs by 1995. To date, 2,700 jobs have been created, with another 1,600 in tha pipeline, giving new hope to the re-

Light and service industries have been attracted by the region's geographical position end its proximity to the Luxembourg eirport. A European college of technology has been estab-lished, and an international activity park is to follow that will offer inexpensive premises, an expansion capital fund and integrated

networks. The pole is part of the IN-TERREG program, which involves Franca, Belgium and Luxembourg and is that EC's biggest trans-border cooperation project. It aims at transforming this de-pressed rust bett erea. once noted for its blast furnaces lighting the night sky. into a new-style European

Rioting miners smash-ing windows and clashing with police in Lorraine last grams benefiting some grams benefiting some 90,000 people. Local politicians, businesses and unions are working together, and afforts are also being made to improve the environment, notably by clean-

ing up the rivers.
These factors have ancouraged a wave of foreign investment elsewhera in Lorraine, notably the South Korean company Daewoo's television plants. Lorraine hes made good use of French government investment aids, which have attracted toraign companies employing 18,000 workers. in all, the region now has 260 foreign companies and is rapidly losing its old im-

age.
Other traditionally industrial regions in Europe are undergoing similar transforma-tions. The Black Country Development Corporation in the British Midlands, famed for automobile production, engineering and metal works, hes been investing £200 million (\$300 million) of government and EC money to buy land for incoming trusinesses, build a new connecting highway between the sites and hand out grants. The erea's oncegrim appearance is undergoing change, particularly following the planting of

300,000 trees. The £200 million has alreedy generated £450 mlllion in private investment, halfway to the target of £1 billion, and the creation of 25,000 jobs. The center-piece of the revival is the landscaped, 47 hectare (115 acre) automotive comcross-border urban zona ponents park. We ere still mainly in the nuts-and-bolts

business," says the development corporation's chiet executive, David Morgan. but the park will have a hotel, conference center and

leisura facilities with swim-ming and tennis." Ha notes a 12 percent increase in the region's service industries. Ikea, tha Swedish tumiture group, is setting up shop near a 12-screen cinema, while new housing and offices line the traditional industrial canals, transformed

in many cases into cleen

and pleasant waterways. In industrial Piedmont, in Northern Italy, Fiat is converting obsolete plants, some into leisure centars and shopping mails. The most notatile is the historic Lingotto plant in the center of Tunn, built in 1918, with its own test track. The automobila glant, together with the Tunn city council, the stata railway authority, the INA insurance group and other investors, is keeping the shell of the building, admired by the architect Le Corbusier, end filling it with a congress hall, hotel, a branch of the university and e shopping mall, all de-signed by one of ttely's lead-ing contemporary architects, Renzo Piano.

This American-style innercity development has also been adopted in Lifle in northern France, the center of an area once known for coal mines and textiles. Rising above and around the new TGV high-speed-train station is Euralille, e 250acre, \$800 million office. housing and leisure complex with hotels, concert halls and vast shopping

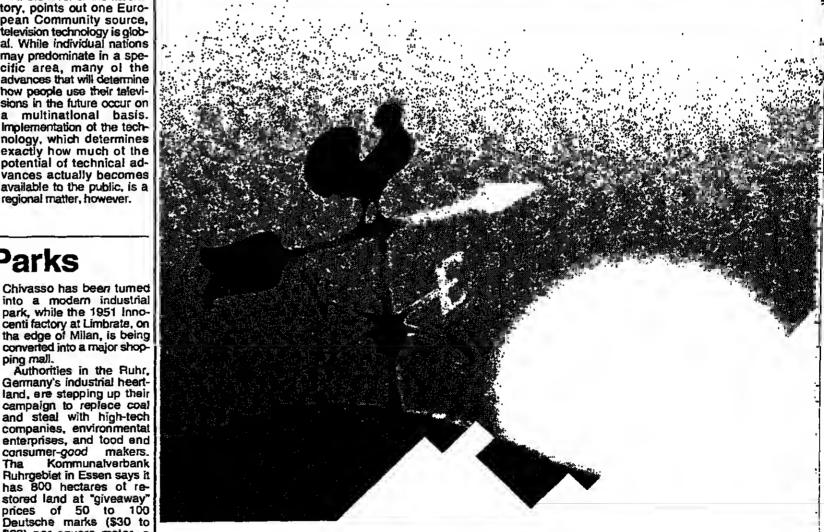
In another initiative by Flat, the old Lancia plant at

Chivasso has been tumed into a modern industrial park, while the 1951 Inno-centi factory at Limbrate, on tha edge of Milan, is being converted into a major shopping mall.
Authorities in the Ruhr,

land, ere stepping up their campaign to replace coal and steal with high-tech companies, environmental enterprises, and tood end consumer-good makers. Kommunalverbank Ruhrgebiet in Essen says it has 800 hectares of restored land at "giveaway" prices of 50 to 100 Deutsche marks (\$30 to \$60) per square meter, a asked in Munich, Frankfurt or even Dresden. Collabora-tion is offered with technical institutes and universities.

Japanese high-tech companies such es Alps in electronics and Shimatsu in medical technology are among the new generation ot companies in the Ruhr that are lilling some of the gaps in employment caused by the 60 percent decline in coal end steel over the past two decades. Albert Suissa of Sofirem,

the industrial development agency of Charbonnages de France, the French coal board, has placed 1,500 companies, French and foreign, on recuperated mining company land throughout the country and helped create 100,000 jobs. His prices are unbeatable: 10 francs to 100 francs (\$1.60 to \$16) per square meter per year. with 7.5 percent loans over 10 years and equity stakes if e new company so wish-



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# France's GDP Grew Slightly In 3d Quarter

PARIS - The French economy grew by 0.2 percent in the third quarter but private economists said Wednesday that a strong recovery

was not at hand. The national statistics office said gross domestic product in the third quarter rose at the same pace as m the previous three months.

The picture is of an economy bumping along the bottom, not taking off," said Gwynn Hacche at James Capel & Co. in London. Market-sector GDP, which excludes state activities, was frail, rising just 0.1 percent in the July-

September period, Manufacturing production fell 0.6 percent in the third quarter, after a 0.6 percent rise in the second quarter, with the decline affecting all sectors except household appli-

Automobile industry production fell 3.0 percent during the third quarter, after 1.6 percenit growth in the second, while output in the agricultural and food and energy sec-

Consumer spending extended its recovery in the third quarter, rising by 0.7 percent after growth of 0.6 percent in the previous three

Exports also increased, rising by

0.8 percent in the third quarter after three consecutive quarters of decline. However, they were largely offset by drops in inventories and investment, which economists fied to companies' stubbornly pessimistic outlook for business in the

months ahead. Economists said they expected economic growth to recover next year as recent cuts in interest rates took effect. But few are as optimistic as the government, which is forecasting GDP growth of 1.4 per-cent in 1994.

They said that as unemployment —already at a record 12 percent — goes on rising and July's increase in the social security tax impacts fully on personal incomes, consume spending will drop off again.

Alain Galibert of Warburg Bacot-Allain said the figures were a disappointment because, while they confirmed that household spending rose, they failed to reflect the results of recent surveys showing a pickup in business investment intentions.

The decline in business investment slowed to 0.5 percent in the third quarter from the previous quarter's 1.3 percent, but that still meant that there was no growth in investment since the third quarter

# Oil Prices Dive — for Producers

# **OPEC Comments Send** Crude to a 5-Year Low

Compiled by Our Staff From Dispatches LONDON - World oil prices plunged to their lowest level in five years on Wednesday after the swing producer." Organization of the Petroleum Exporting Countries said it did not think it alone could rescue petroleum prices.

"If others wait for OPEC to have a miracle solution, I don't think we have it," said the president of the producer organization, Abdullah al-Attiyah of Qatar.

In late London trading, January futures for the world benchmark Brent Blend of crude oil fell 5 cents, to \$13.51 per barrel. That was the lowest price since November 1988, extending a fall that has taken them from 520 a year ago.

demand in the sluggish global economy and, most recently, on an OPEC decision not to cut production quotas. Mr. Attiyah spoke to reporters in Damascus after informal talks with other OPEC ministers in-

cluding Hisham Nazer of Saudi Arabia, the biggest exporter. The OPEC president reaffirmed the cartel's view that it was time for other producers from outside the group to curb exports and help it rescue prices.

#### quotas but "others should help, he said. "OPEC cannot be the

Meanwhile, the International Energy Agency, which mornitors supply and demand, said in its

'If others wait for OPEC to have a miracle solution, I don't think we have it.

Abdullah al-Attiyah, OPEC president.

The tumble is blamed on flat monthly report Wednesday that members of OPEC increased their output of oil to 24.7 million barrels per day in November and exceeded the ceiling set in September by 250,000 barrels.

The agency said the 12 OPEC members, which had set the output ceiling at 24.5 n illion barrels per day for six months starting Oct. 1. had increased output in November by 120,000 barrels per day from a daily production of 24.56 million barrels in October.

# **European Consumers Obtain Few Benefits**

LONDON - Oil markets are at their lowest levels since 1988, but European motorists would never know il.

Despite gasoline prices that are about half what they were in 1980 in inflation-adjusted terms, motorists have reaped little benefit. Instead, governments have taken advantage of falling prices to impose ever-higher taxes, industry analysts said.

For instance, in 1980 four-star petrol in Britain, excluding tax. was 31.5 pence (47 cents) per liter m today's money compared with 16.1 pence per liter so far in 1993. according to Oil Prices Assessments Ltd., which monitors the retail market. But including taxes. British motorists are paying 54.1 pence now, compared with 59.3 pence in 1980.

Nonetheless, British motorists are among the most privileged because, apart from Spain and Luxembourg, British gasoline is the cheapest in Europe.

But that may not last. In his recent 1994 budget, Chancellor of the Exchequer Kenneth Clarke committed the government to increasing petrol taxes 5 percent (Remers, AFP)

"It is not good policy in these environmentally conscious days to keep road fuel costs so much cheaper than they used to be. Mr. Clarke asserted.

Other European governments are also playing on environmen-tal concerns to justify gasoline

to rise 18 plennig (10 cents) per liter from the beginning of next year. In the Netherlands, where gasoline is the most expensive in Europe — the equivalent of about S1 per liter — the government pockets 75 percent of the price.

OPEC, which opposes energy taxes, argues that the levies are not really aimed at protecting the environment. "We are against it because we perceive its real purpose is not to clean up the environment, but to swell the coffers of the world's wealthier nations." Secretary-General Subroto said recently.

Because of the low oil prices, governments have been able to impose the heavy taxes without increasing retail gasoline prices significantly. But should oil prices rise, so would the political

AEG has been in dire straits for

more than a decade, Its financial

performance failed to improve af-

ter Daimler-Benz bought a control-ling interest in the company in

Mr. Stöckl, who took charge of

presided over the sale or closure of

AEG's office equipment, cable and

mobile communications opera-

rions, which were considered either

too small to survive or nonessential

to the Daimler-Benz corporate vi-

He also bought an East German

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#### Very briefly:

• Unilever NV said it would sell its stake of just under 30 percent in Gamma Holding NV, a Dutch textiles and fabrics concern; it said the stake bad a market value of about 200 million guilders (\$104.8 million). Winterthur Swiss Insurance Co. sold its 28 percent stake in the insurance group Helvetia after failing to gain control of the insurer; the stake, valued at about 304 million Swiss francs (\$196.6 million), was sold to Patria AG, a life insurer that now owns about 39 percent of Helvetia.

 Skoda Antomobilova AS said it expected to have record production this year and a profit of 2 million to 5 million Deutsche marks 1\$1.2 million to \$2.9 million), compared with 66 million DM in 1992; the result would make Skoda the only profitable automaker in the Volkswagen AG group. Mitteldeutsche Braunkohle AG, a lignite mining company in Eastern

Germany, was sold to a consortium including PowerGen PLC of Britain and Morrison-Kundsen Corp. of the United States for 2 billion DM. Deutsche Bank AG is considering buying a stake in the French regional bank Crédit Industriel d'Alsace & de Lorraine.

 The EC Commission has begun an investigation into a tax break granted to airlines by the German government, a commission spokesman said. The tax deduction related to purchases of aircraft used on international

#### the company in 1990, has already Air France Asks 2,100 to Go

PARIS - Air France, which was

crippled by a surike in October when it sought to eliminate 4,000 jobs, plans to ask for 2,100 voluntary job teductions, an airline spokesman said Wednesday. The lavoffs, which include 1,100

early retirements, are included in a plan to cut costs at the loss-making French national airline that will be made public on Monday, the

have a loss of 7 billion francs (\$1.2 billion) this year, was hit in October by a strike of ground personnel that lasted more than a week.

The company president, Bernard Attali, resigned when the plan was withdrawn by the government. which was alarmed by public sympathy for the strikers. The strikers had closed Paris airports several times to foreign aitlines by invading landing strips.

# Philips Disappointed By Digital Cassette Sales

AMSTERDAM - Philips Electronics NV said Wednesday that sales of its digital compact cassette players had fallen well short of its previous forecasts.

The company sold only 150,000 units in the 12 months since its introduction in November 1992, well below expectations of up to one million units. The player represents the sec-

ond generation of digital-audio technology developed by Philips, which is aimed at competing with Sony's MiniDisk compact disk system.

"Sales could have been better," a spokeswoman for Philips said. "But you have to take mio account that the average price

of a DCC player is around 1,400-1,500 guilders (\$730-\$780), and there is a severe eco-

nomic recession going on." : Pieter Boegels, the Philips executives in charge of DCC, was quoted in an industry publication as saying the price of DCC players would have to fall to the same level as compact-disc play-ers before consumers would buy them in large numbers.

Mr. Boegels also said Sony's Minidisc product had also sold only 150,000 units so far.

The Philips spokeswoman said the company would introduce a car stereo version of the DCC in the Dutch market this week (AP. Renters)

# DELORS: A Prescription for Jobs AEG: A Sweeping Reorganization

#### Continued from Page 1

Europe's jobs crisis "is in the hands of national governments," he said, adding that EC leaders must give a clear commitment to attack the problem at the summit meeting and give an annual review of their progress, even if they haven't agreed on specific recommendations.

For all the criticism of the plan, including a bashing from EC finance ministers only three days ago, the fact is that Mr. Delors's paper is the only plan the EC leaders have. And Mr. Delors is assured of strong support from the French president, François Mitterrand, who first suggested the idea for a big European borrowing program earlier this fall, and Prime Minister Jean-Luc Dehaene of Belgium, who will chair the summit meeting as holder of the rotating EC presiden-

The struggle against unemploy-

#### ment is at present the greatest challenge facing" the Community, Mr. Dehaene said in a letter to leaders spelling out his agenda for the sum-

Mr. Delors defended the plan's call for major spending on trans-European networks, including highways and railways as well as liber-optic links for everything from computers to interactive television. The bulk of the 20 billion European currency units (\$23 billion) of annual spending would come from existing EC resources, be said, with only 8 billion Ecu a year of borrowing needed.

Although Mr. Delors's term runs until the end of next year, be is fast approaching lame-duck status. The jobs plan is clearly meant to be his third and final European achievement, following the single-market program and the Maastricht Treaty on European Union.

#### Continued from Page 9

the latter unit shedding a production plant in Berlin for a savings of 180 million Deutsche marks (\$106 million) a year, Mr. Stocki said. Mr. Stock) predicted the compa-

ny would return to profit in 1995. Last year it had an operating loss of 200 million DM. The company's annual revenue is

expected to total 9.3 billion DM after the reorganization, down from 11.6 billion DM in 1992. This year's operating loss is expected to be considerably higher than the 1992 level.

By German accounting stan-dards, Daimler-Benz posted a 180 million DM net loss in the first nine months of 1993. But by U.S. accounting rules, which the company began using after listing its shares on Wall Street this year, its 9-month loss was more than 10 times that level - 2 billion DML

#### train maker that is now the core of Daimler-Benz's tail-transportation activities. Daimler-Benz, Germany's biggest industrial conglomgerate, cu-compasses the activities of Deutsche Aerospace AG, the truck and carmaker Mercedes-Benz AG and

# a financial services company, De-bis, in addition to AEG.

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INTERNATIONAL HERALD TRIBUNE, THURSDAY, DECEMBER 9, 1993

# REWARDS: Some Say Material Incentives Reduce Interest in the Job

job applicants at utility companies, made in 1978, found that pay ranked sixth out of 10 job factors (although the poll's respondents indicated they assumed other people would put money first.) In 1991, a poll showed that even among sales people widely assumed to be fixated on money, increased compensation was the least commonly cited tion was the least commonly cited reason for changing jobs.

of money as a comfort rather than a goal. A survey of more than 50,000 iob applicants at utility companies, in 1072 found that pay of Edward Deci at the University of Rochester and Mark Lepper at Stanford. They insist that material rewards not only do not motivate well but actually poison natural motivators such as curiosity and self-esteem.

Mr. Lepper watched children in the Head Start preschool program react to an experiment on the use of Magic Markers. Some were told Deci concluded that "money may

get a certificate not only were using the markers less frequently than the other children; they were using the markers less frequently than they themselves had used them a week coding before that he had bearned of

the reward.

From this and other studies, Mr.

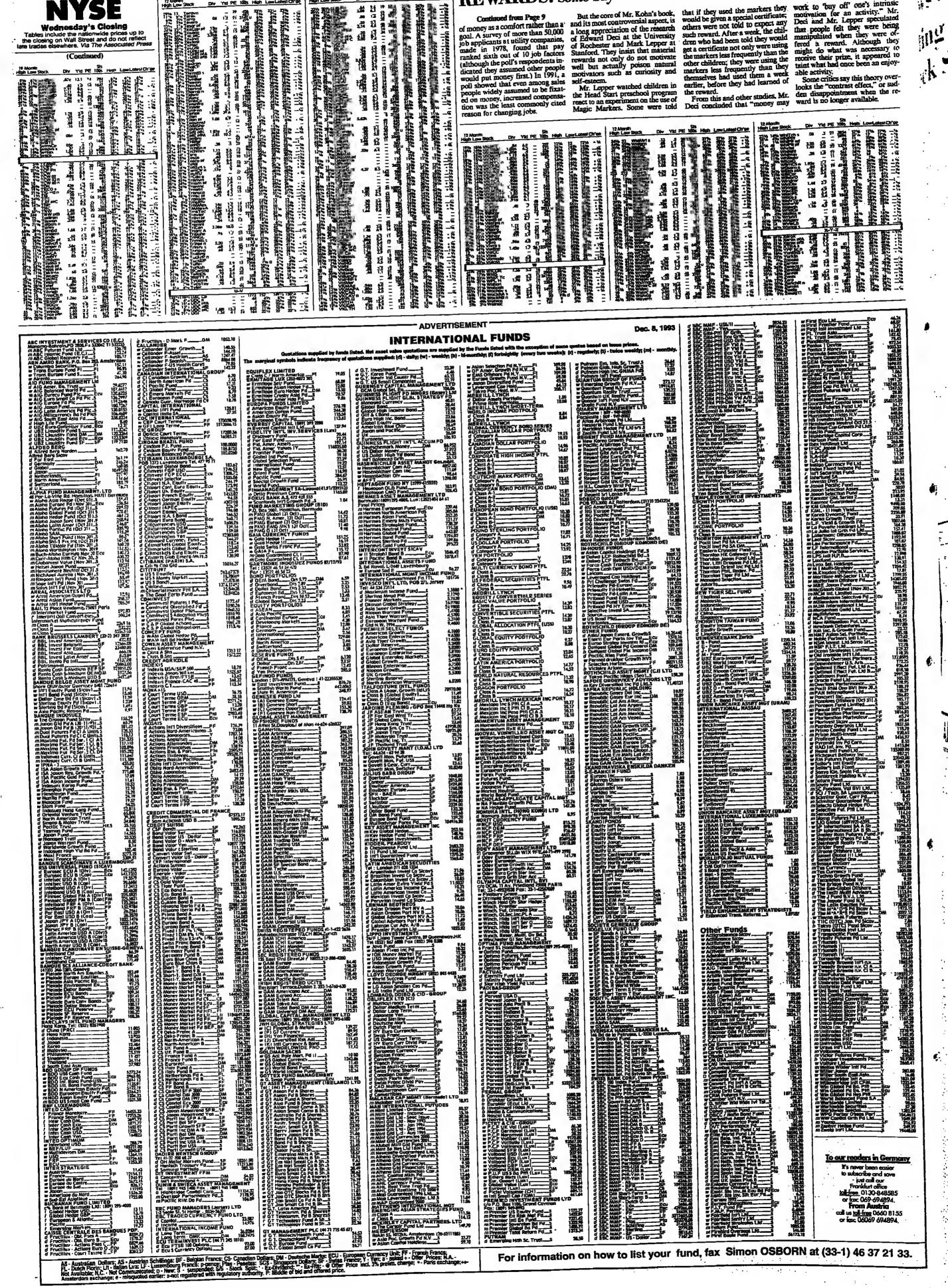
den disappointment when the reward is no longer available.

that if they used the markers they would be given a special certificate; others were not told to expect any such reward. After a week, the children who had been told they would get a certificate not only were using fered a reward. Although they might do what was necessary to receive their prize, it appeared to taint what had once been an enjoyable activity.

Some critics say this theory overlooks the "contrast effect," or sud-

ward is no longer available.

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# News Corp. Pulls Voting Plan, Stock Surges

SYDNEY - News Corp. shares

Interest in the

surged on the Australian Stock Exchange on Wednesday after the worldwide entertainment and pubhishing company withdrew a proposal to create a class of shares with enhanced voting rights.

The stock, which had languished amid the controversy stirred by the proposal, ended 90 cents higher, at 10.90 Australian dollars (\$7.27), a rise of 9 percent.

Analysis said an announcement by Rupert Murdoch, the News Corp. chairman, that the company was dropping the plan was the rea-son for rise in its stock. Mr. Murdoch blamed slow consideration of the plan by regulators for the com-pany's decision to withdraw it.

Some observers said they still expected Mr. Murdoch to come up with a way of expanding his media empire without diluting his family's stake in the company.

Murdoch wants to expand, and he wants to do so in a way that doesn't dilute his equity interests, so he'll look for another way," media analyst Bob Peters of ANZ McCaughan.

Tony Huntley, an analyst at SBC Dominguez Barry Ltd., said Mr. Murdoch could sell a stake in his Fox Broadcasting Co. unit in the United States, which had a record profit in its latest year, to a partner willing to distribute Fox's warehouse of movies and television pro-

gramming in the American market. Mr. Huntley said that sector was "a sellers' market" in the United States and that Mr. Murdoch could raise as much as \$2.5 billion from a sale of a stake in Fox.

In his announcement on Wednesday, Mr. Murdoch said, "As a consequence of the recent discussions between the attorney general of Australia and the cha Australian Stock Exchange, it has

become apparent that definitive action with respect to the News Corp. supervoting share proposal will not occur for many months."

Mr. Murdoch had told shareholders at the company's annual general meeting in October that News Corp. would seek the new class of shares to ensure that curtent shareholders would retain control of the company if it sought a major new equity partner in the telecommunications industry.

On Wednesday, he recalled the proposal had been made "to facilitate the negotiation of strategic alliances with other companies" and the announcement of it had "emphasized the necessity for prompt action by the Australian Stock Exchange" to authorize the move by granting it an exemption from the exchange's one-share, one-vote rule.

News Corp. was proposing to issue super shares in a 1-for-10 issue to current shareholders. Each super share would have carried 25 votes. (Bloomberg, Reuters, AFP)

# Thai Banks Slash Rates **Move Could Send Money Into Stocks**

BANGKOK - Three of Thailand's largest banks said Wednesday they would cut interest rates they pay on deposits, in a bid to recirculate the large

money-market funds.

The move could help Thailand's stock market, which already has run up 62 percent this year, if Thais shift money into mutual funds to try for higher returns.

amounts of cash now parked in

Bangkok Bank and Krung Thai Bank cut their rates on most deposits by half a percentage point, to a 15-year low of 5 per-cent. But on accounts in excess of 500 million baht (\$19.7 million), rates will be slashed to just 2 percent, from 5.5 percent. Siam Commercial Bank said it would cut both lending and de-

posit rates Monday. In addition, an official of Thai Farmers Bank said the bank, the country's second-largest, was considering the situation and would probably have an announcement

within a day or two." The money glut in Thailand was caused by the relatively high interest rates the banks had been

paying until recently. Only last year, Thai banks rypically paid 8 percent on savings accounts.

Much of the mooey represents

funds being stored in bank accounts between stock-market transactions. But some of it simply reflects the increasing affluence of Thai consumers.

Hoping to lend more of that money out - and thus carn income rather than just pay interest - Bangkok Bank and Krung Thai Bank also said rates on most loans would be trimmed half a percentage point, effective

Dec. 15 All of this could be a boost to the already-booming Thai mutual-fund industry. About 18 months ago, the Thai government liberalized the domestic mutual-fund market, a move that led to the creation of about a

Since then, roughly 50 billion baht in new money has come into the stock market.

The deposit-rate cuts could drive even more cash into equities. "The mutual funds are loaded with mooey," said Danai Chairarattanawilai, an analyst for Ocean Securities & Finance.

The problem for fund managers is where to park all the money." added Suwit Wanglee. chief executive officer of Nakornthon Bank, a small commer-

Stock markets that are driven frenzied buying, particularly foreigners, can be ripe for a fall. But if the lower deposit rates also encourage Thais to invest, they could add stability.

Less than 5 percent of the population now has money invested in stocks, compared with around 20 percent in developed countries, according to Thai Farmers Asset Management Co.

A more fundamental reason the stock rally might last into 1994 is the country's economic growth. The Thailand Board of Trade and private economists are forecasting growth next year of 8 percent.

What is more, further rate cuts are not out of the question. Piti Sithi-Amouai, executive vice chairman of Bangkok Bank, said he believed another cut "should come relatively soon," because lower lending rates would stimu-

# Malaysia's **GDP Beats Forecast**

Compiled by Our Staff From Dispatche KUALA LUMPUR - Reflecting strength in manufacturing and construction. Malaysia's gross do-mestic product rose an inflation-adjusted 8.1 percent in the third quarier, faster than official predictions. Bank Negara said Wednesday.

The central bank also revised its estimate of second-quartet growth 10 (0.1 percent from 10.3 percent. The economy grew 7.6 percent in the first quarter, meaning growth this year is running at 8.6 percent. The bank previously estimated 1993 growth would be 7.6 percept.

The state-owned Bernama news agency quoted Anwar Ibrahim, deputy prime minister and finance minister, as saying manufacturing and construction have remained strong. Prospects for the medium term are certainly promising," he added. Construction activity rose 12.5 percent in the third quarter, up from

11.8 percent a year earlier. Farm output was up just 2 percent, down from 7.7 percent in the second quarter and 3.9 percent a year earlier.

Manufacturing output rose 12.5 percent after a 16.5 percent rise in the second. Output in export industries rose 14.1 percent, compared with 10.6 percent for domestic industries. (Bloomberg, Knight-Ridder)

#### Investor's Asia Singapore Straits Times Tokyo Nikkei 225 Hong Kong Hang Seng 1700 TASOND DA D V D Wednesday Prev. Exchange Close 9,750.23 9,736.57 +0.14 Hong Kong 2,159.21 2,163.54 Singapore Straits Times All Ordinaries 2,095.00 2,073.90 +1.07 Sydney Nikkei 225 16,507.95 16,903.49 2,34 Tokyo Kuala Lumpur Composite 1.060.79 1.063.25 1,442,56 SET 1,436.92 Bangkok Composite Stock : 836.71 . 823.17 . Seoul 4,683.60 +0.18 Weighted Price .2,509,47 +0.38 Manita 0.02 523.41 2,087.58 +0.46 1,557.23 .+2.25 Bombay

#### **Very briefly:**

• Japan's lower house of parliament passed a second supplementary budget of 709 billion yen (\$6.57 billion) for the fiscal year ending on March 31, bringing the overall budget to 75.25 trillion yen.

· Matsushita Electric Industrial Co. said 6,000 white-collar workers will be shifted into sales and new business sectors over the next three years • China's foreign trade rose 16.5 percent, to \$164.2 billion, in the first 11 months of 1993. Imports rose by 27.8 percent and exports by 6.2 percent! Anheuser-Busch Cos., which owns a 5 percent stake io China's Tsingtag Brewery Co., said it was close to agreement on a major investment that would include joint construction of a brewery in China.

The Industrial Bank of Japan said it would reduce its loog-term prime rate to a record low of 3.5 percent oo Friday from 3.8 percent.

Reiners, AFP, AFX, Bloomb

# Hitachi Claims Breakthrough in Chip Technology

By Andrew Pollack

New York Times Service TOKYO -- Hitachi Ltd. said it had overcome a burdle blocking development of a fantastically tiny and powerful computer chip. It has demonstrated what it says is the world's first electronic memory that uses only a single electron to store information.

-Scientists have known and demonstrated the principles of single-electron memory devices, but such demonstrations required extremely low temperatures. The Hitachi tech-

In memory chips, the presence or absence of electrons represent a one or a zero in computer code. Current devices need more than

Hitachi said Tuesday the single-electron technology could be the basis for the development of a memory chip that stores 16 billion bits, about 1,000 times the capacity of the most advanced chips sold today. Chips based on single electron devices would require very little power, making possible hand-held computers that could store reams of data and

on batteries than computers do today. Previous experimental devices have had to operate at temperatures near absolute zero, or 273.15 degrees below zero centigrade (459.67 degrees below zero Fahrenheit), to reduce atomic vibrations that could obscure the pres-

10,000 electrons to represent one bit of data. extreme cold has been a leading obstacle to developing such devices for practical use.

According to Hitachi, achieving room temperature operation requires confining an electron to an area with a diameter of only about 10-billionths of a meter. By contrast, a buman hair has a diameter 10,000 times that, Such minuscule structures cannot be made using existing semiconductor techniques.

moving images, as well as operate far longer Hitachi's scientists developed a technique in which grains of silicon of the required size

patterns on silicoo using lithography. In the memory, an electron can be trapped on a tiny silicon island because of the princi-

ples of quantum mechanics. A trapped elec-

form naturally, without the need for making

another. This reduction in electron flow can be detected, allowing the memory to be read. ■ Texas Instruments Chips

Texas Instruments Inc. said it demonstrated a computer chip that takes advantage of quantum-mechanical effects and operates at com temperature, Reuters reported from Dallas. The chip is projected to operate three times faster and hold three times more functions than conventional semicooductors.

Separately, Texas Instruments and Hitachi said they jointly produced their first samples of 64-megabit memory chips, Bloomberg Business News reported from Tokyo.

#### Flat Profit Outlook Hits Sega Stock

TOKYO - Shares in the video game maker Sega Enterprises Ltd. tumbled 240 yen, or 2.9 percent, to 7,980 yen (574) on Wednesday amid concern over flat earnings

prospects. A Sega executive confirmed a report in the newspaper Nihon Keizai Shimbun that the company's group profit would be steady from the previous year.

the lack of profit growth. The paper estimated Sega's prof it at 57.5 billion yen (\$533 million

in the par ending Murch 31, 1994. and the company had earlier forecast 65.5 billion. Profit totaled 57.4 billion yen in the previous year.

#### METAL: Executive on Probation as Company Takes Turn for the Worse Continued from Page 9 renew Mr. Schimmelbusch's con- ecutive of the utility RWE AG; and my's management board in 1981.

AG, Dresdner Bank AG, and Alhanz AG Holding - have sizable minority stakes in the company.

The two banks take turns designating the chairman. Because of this interlocking network, discussion of problems at Mioligesellschaft is a sensitive issue.

Most people would speak only on the condition that they not be

tract "but they realized they had no

Germany's two-uer board system provides for a management board that conducts the company's business and a supervisory board of outside directors that makes fondamental decisions for the company, including the biring and firing

about his future.

According to the executive with

According to the executive with

According to the company's operations, the board was reluctant to

Bank; Bernhard Walter, a management board member of Dresduct tons, the board was reluctant to

moted by name.

The company's troubles have supervisory board on Nov. 19 conthrown a spotlight onto Mr. Schimitst of Ronaldo Schmitz, the melbusch and raised questions: board's chairman and a manage-

Peter Schuhmacher, chief executive and chairman in 1989.

ence or absence of electrons. The need for

of Heidelberger Zement AG. Mr. Schmitz, who took over as Metallgesellschaft's supervisory board chairman last May, is a for-mer chief financial officer for BASE AG, the chemicals multinational. In a critical article that ap- sche Bank and Dresdoer Bank, the peared last week, the German company and the banks announced monthly Manager Magazin report-ed tensions between Mr. Schmitz = Canadian II

and Mr. Schimmelbusch. Mr. Schimmelbusch, 49, is an Austrian with a doctorate in eco-nomics who joined Metallgesells-

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The scare that shook the company earlier this week concerning its liquidity has faded, however. Analysts said Metallgesellschaft's lack of cash is not a problem. A new loan has been secured from Deut-

Metallgesellschaft has agreed to sell 11.6 million of its Metall Min-ing Corp. shares at a price of 10.75 Canadian dollars (\$8.12) each, the chaft in 1973 after training with investment banks in New York. He became a member of the compa-

# China Bid to Plug Leaks Of State Firms' Assets

Div Yid PE 100s Heat Low Latesi Cirge

BELITNG - China, which has seen billions of dollars in state assets slip illicitly into private pockets during economic reform, is drafting a law to boost supervision of state com-

operations.
The regulation stipulates that property in industrial en-terprises beloogs to the state," the official Xinhua news agency

It said the rules emphasized the government's supervisory role in reorganizing assets, saying "striogent examinations should be completed before approval when transferring them to individuals, private enter-

prises or foreign investors."

Xinhua said China loses
more than 30 billioo yuan (\$5.2
billion) annually as state assets
are written over to individuals. intentionally undervalued be-

High Low Stock

#### Japan Study Sees Profit In Imported Rice Sales

TOKYO — The government could make 350 billion yen (\$3.25) billion) profit in 2000 from selling imported rice at domestic prices which are above those on world ket opening. Fuji Research Institute Corp. said Wednesday. Prime Minister Morihiro Ho-sokawa is to decide Friday whether

to accept a market-opening plan. It includes postponing imposition of

Tokyo **Pacific** on 30,11,93 Holdings US \$208.11 Amsterdam

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# **SPORTS**

# Atlantic 10 Basketball: Wise Old Owls Now Playing With the Eagles

Temple vs. Duke.

made a National Collegiate Athlet-

ic Association appearance since 1962, has played in the last two

tournaments under John Calipari.

George Washingtoo's appearance last March, with then-fresh-

man center Yinka Dare developing

under the coaching of Mike Jarvis.

By Malcolm Moran

NEW YORK - They weren't going to make it home. Of all the possibilities Ron Bertovich faced that messy Sunday last March, selection Sunday, the day that can define or desiroy years of effort, the one thing the commissioner of the Atlantic 10 Conference realized was that a family tradition would

have to be rearranged. The hlizzard had slowed the trip home to New Jersey from the league's women's tournament in Washington. His wife, Cheryl, and his daughters. Meghan and Kimmi. would out be able to watch the pairings for the national collegiate baskethall tournament at home. But there were too many hopes at stake to miss this anoouncement. They would have to stop along the

As they waiched from a hotel room in Philadelphia, Bertovich struggled to scratch a makeshift hracket ioto the first-grade spelling tablet that belonged to Meghan. who attended her first game -George Washingtoo at Rutgers -at the age of 3 weeks. They waited for the names, and hoped.

Massachusetts... Temple... George Washington!

Four teams! The commissioner's most optimistic hopes were flashing across the screen. His conference's most successful seasoo had been rewarded. The power ratings had not failed his teams.

The power politics had not be-trayed his coaches. Through the years, there had been many victories, but this was a triumph.

After 18 seasons in several incar-

lantic 10 had at last become an overnight success.

Now, in a new season, its snotlight is becoming as bright as it has ever been, with Massachusetts beating top-ranked North Carolioa in the preseason National Invitain the present reational invita-tion Tournament and Temple go-ing to Kansas, grabbing a surpris-ing lead, and preventing the Jayhawks from even making a serious run in the final minutes.

A league once known as the Eastern Athletic Association (aka the Eastern Eight), and before that as the Eastern Collegiate Basket-ball League, has established a position somewhere between the instability and anonymity of its early years and the automatic annual respect accorded traditionally elite

nations — some relatively obscure, and nearly all of them in the long shadow of the Big East — the Atlantic 10 had at last become an observation of the Big East Southeastern and the last Southeastern and Big East, "Dilulia said. "It's beating UCLA. Kentucky," Georgetown. Yet people don't say, "What an accomplishment." And yet in a nanooal landscape

the Big East, Southeastern and the Pacific-10, the Atlantic 10 has that may soon change dramatically as major powers consider mergers achieved the most extensive television exposure in its history, includinto megaconferences, there reing four consecutive February Sun-days oo ABC: Massachusetts vs. maios some emotional residue from the days when Villanova. Keotucky, Massachusetts vs. Tem-Pittsburgh and Penn State left with better offers and the lack of a strong identity created the distracple, Temple vs. Louisville and tions of uncertainty. Massachusetts, which had not

D.J. DiJulia, the athletic director at St. Joseph's University, who has observed the Atlantic 10's growth as both an outsider and a member. senses that the top teams in the league do not receive the credit they have earned. "I still don't think the mind-set is

was its first since 1961. Energized that to win the Atlantic 10 you have programs are renewing long-lost to be good enough to beat the top passions against the backdrop of two or three teams in the following campus gyms and arenas. Temple conferences — the Pac-10, SEC

But in a business where, as Larry Brown once suggested when he coached at Kansas, tradition now consists of whoever was on television on Saturday night, the Atlan-tic 10 continues to change those perceptions, particularly in the eyes cents whose decisions determine the balance of power.

That was part of the plan. Powerful programs keep the weak weaker by imposing unreasonable demands when negotiating nonconference matchups. They will refuse to play on the lesser team's court, or insist upon two home games in a three-game agreement.

After John Chancy arrived at Temple 11 years ago, he discovered a way to overcome this problem.

He said yes anyway. He said yes a lot.

The Big East could afford to sit in the wagon because they had a pionship. strong horse — TV," Chaney said. —I took

They could afford to go out and play four or five patsies. If you have a strong horse that's pulling your cart, that's great." "When I came here," Chancy re-membered, "I had a list of 50 or 60

schools. If we had to play them at their place twice, or two times out of three years, I didn't care. We became perfect matchmakers. They would match us up with four or five teams because we were willing to play on the other team's court. We may have lost games, but we were highly visible, and that helped the recruiting process. We may have lost, but kids saw us on TV."

He had used a similar strategy at Cheyney State, outside Philadel-

New League

Born in Asia

SINGAPORE - Six teams from

Singapore, Malaysia, Hong Kong, Australia and New Zealand formed

the Asian Basketball League on

Wednesday, and said the first five-

month season will start next No-

Representatives from Benjing

and Tokyo also attended Wednes-

day's meeting, the league said.
The Australian teams will be

Three foreign players allowed per club will provide an immediate

njection of experience, ability, size

and excitement and their expertise

will quickly rab off on to local players," a statement said. "The main sponsor will be an-

nounced next April and the sum will reflect the magnitude of the

competition," said Alan Marshall,

quarters in Kuala Lumpur and a

regional office in Perth. Its executive committee will consist of two repre-

sentatives from Pacrim and one

from each cinb, the statement said. In regular season play, each team will play each other club twice at

home and twice away. All six teams, seeded according to their regular-season standing, will enter

the best-of-three-game playoffs.

the league's managing director. The league, developed by Pacrim Leisure Pry. Ltd., will have its head-

based in Perth and Cairns.

phia, where Chancy's teams won 225 games in 19 seasons, including the 1978 Division II metional cham-

"I took the wildest approach,"
he said "but you can only do that if
your job is secure. I never felt
threatened. Some coaches have to
be concerned. You can schedule yourself out of a job."

At Temple, the opposite hap-pened. The Owls thrived. They be-gan a run of nine NCAA tournament appearances in 10 seasons, including quarterfinal appearances in 1988 and last spring.

Mark Macon, a highly reco player, wanted to play for the Owls. Bertovich, who had been using a commissioner's influence to preach the importance of tough games for the sake of the power rating, now had Temple as an example to cite.

And when Calipari was hired at Massachusetts in 1988, after the Minutemen had endured 10 consecurive losing seasons — including three without a lengue victory — he

had a formula to follow. "We looked at their blueprint,"." Calipari said of the Owls, "You're talking about two totally different; styles of basketball, but the idea: was not the styles. The idea was how did they get on national televi-sion? How did they step outside the

The first strong sign of the UMass breakthrough season in 1992 was an early January victory over Oklahoma at Springfield. Mass, in a series that called for two games in Oklahoma out of the

This season, the Minutemen's nonconference schedule includes the NIT victory over North Carolina and the championship-game loss to Kansas, a victory two days later at Oklahoma, plus games against Cincinnati, Florida State. and Kentucky.

"I waited until I got a contract, Calipari said. "I'm dumb, but I have a little bit of sense."

The top of the league now faces the task of finding a path beyond the NCAA quarterfinals while its identity is challenged by potential changes in conference alignments, possibilities that grow more serious as the 1995 expiration of the College Football Association agree-

Three schools - Temple. Rutgers and West Virginia - also belong to the Big East football conference, which will soon consider expansion of its all-sports member-ship.

Bertovich said the Atlantic 10 may expand for next season by mid-January. He did not want to mention possible additions. But speculation in the last year has con-tered on Xavier of Ohio. La Salle and Fordham.

A task has changed, from creation to preservation, to build upon a moment that happened last

MEGAR

The commissioner was in Salt Lake City, where Temple was playing a first-round tournament game, when Rhode Island's victory over Purdue was announced to the crowd. All those miles from home. the Temple fans cheered, and a once-overlooked conference became just a little stronger.

"Right there," Bertovich remembered, "you say it's all worth it."

# **Defense Saves** Knicks, Magic

The New York Knicks scored 10 points in the third quarter, and still won easily. The Detroit Pistons scored a record-low 6 points in the fourth period, and were not beaten

until the final seconds. In a reflection of the increased emphasis on defense in the National Baskethall Association these days, teams have a chance to win even when their offense falls to pieces for loog periods.

The visiting Knicks missed 15 of 18 shots in the third period, when they allowed the Los Angeles Lak-

# NBA HIGHLIGHTS

ers, who had trailed by 49-31 at halftime, to pull to 59-54 going into the final 12 minutes.

But Patrick Ewing did plenty of damage the rest of the game, finishing with 29 points, 19 rebounds and six blocked shots in a 92-78 victory. "We kept our poise and our de-

fense created bayoc." Ewing said. In Orlando, the Pistons led by 83-66 going into the fourth period, but they were held to 2-for-20 shooting in the final 12 minutes as the Magic, with a 25-6 quarter, won

Anfernee Hardaway's 3-point shot put Orkindo in front with 11 seconds left. When Terry Mills missed at the buzzer, the Pistons were saddled with an NBA record for lewest points in a fourth quarter, eclipsing the seven points managed by Houston against the Lak-

ers on Nov. 15, 1991. "This is ridiculous." said the Pistons' center. Olden Polynice. 'We're a veteran team. We should be able to handle this situation and run our plays. This is all our fault." The Pistons had made 68 percent of their shots in the third period and were shooting o0 percent for

the game at that point. Joe Dumars, who finished with 28 points was the only Detroit player to score in the linal period. when Orlando went with a smaller lineup and upped its defensive

**DENNIS THE MENACE** 

We got rattled when they went to the small lineup." said Detroit's coach, Don Chaney, "We couldn't handle it. We don't know how to

Hardaway finished with 20 points for Orlando, while Shaquille O'Neal had 27 points and 16 rebounds, despite missing 12 of 19 free throws.

Dumars hit three 3-pointers and scored 13 points in the third quarter, helping Detroit huild the 17point lead.

The Lakers got as close as 62-60 with two and a half minutes gone in the final quarter, but the Knicks then went out of reach on a 20-6

Ewing scored 11 points in the final quarter and the Knicks made 12 of 19 shots from the field in the Rockets 121. Homets 102: Hous-

ton stayed unbeaten at home and ran its record to 17-1 as Otis Thorpe scored a career-high 40 points against Charlotte. The Rockets, who tied an NBA

record with a 15-0 start before losing at Atlanta last Friday, have their sights set on New York's 23-1 record, the best in NBA history with one defeat.

straight games after an 8-4 start. Thorpe scored 11 points in the second period and 12 more in the edge to an 87-74 advantage.

Bulls 115. Clippers 111: Scottie Pippen scored 24 points and B. J. Armstrong bad 20 as Chicago won at home despite Danny Manning's career-high 43 points for Los Ange-

Manning tied the game for the last time, 108-108, then louled Armstrong with 58 seconds left. Armstroog made the first free throw, and when the second went off the rim. Toni Kukoc tipped it in for a 111-108 lead,

Heat 106, Mavericks 101: Miami handed Dallas its 13th consecutive defeat and its eighth straight loss at home. Glen Rice scored 29 points.



The Horners have lost live Tyrone Hill was outnumbered by Mark Bryant, Oifford Robinson and another Blazer, but the Cavs had the better figures, 109-100,

# third, when the Rockets broke away from a two-point halftime away from a two-point halftime edge to an 87-74 advantage. More Baseball Expansion in the Works for 1997?

New York Times Service

SCOTTSDALE. Arizona — Bud Selig, major league baseball's acting commissioner, says talk of ex-pansion for 1997 is premature. But he acknowledges that of the owners who had spoken with him about the subject, more favored expansion than opposed it.

Mr. Selig also confirmed that be had spoken extensively with Jerry Colangelo of the Phoenix Suns of the National Basketball Association, who heads a group that would own a franchise if one was awarded

"I've talked to Jerry Colangelo a

lot." Mr. Selig said by telephone a \$2.5 million option with Atlanta. nated hitter Bo Jackson of the Chifron Milwaukee. "But I've also agreed to a \$7 million, two-year cago White Sox; pitcher Bob talked to Vince Namoli a lot." Mr. contract with Boston that could be Namoli is the head of a group that is trying to get a team for St. Peters-burg. Florida.

Mr. Colangelo said 1997 appears to be the target for expansion. Asked about 1997, Mr. Selig said: "I wouldn't want to say it's possible or impossible. It just hasn't been

In other baseball developments: Ous Nixon has a new bome. with the Boston Red Sox, The Associated Press reported. Nixon, who declined to exercise

worth \$9.25 million if a 1996 option is exercised.

 Rafael Palmeiro, the top re-maining free agent, was among 38 players not offered salary arbitration. Texas, fearful be might accept the offer and get more than \$6 million in arbitration, forfeited its right to draft pick compensation.

The group included pitcher Fer- mer clubs before May 1. nando Valenzuela of Baltimore; Among those not offered arbi-outlielder Tim Raines and designation were Chicago White Sox lion, two-year deal.

cago White Sox; pitcher Bob Ojeda, catcher Junior Ortiz and second baseman Jeff Treadway of Cleveland; pitcher David Wells of Detroit; third baseman Gary Gaetti and outlielder Hubie

Brooks of Kansas City. Players offered arbitration have until Dec. 19 to accept or reject, and they can continue negotiating with their old teams through Jan. 8. Seventeen players were offered Players who weren't offered arbiarbitration, 13 fewer than last year. tration can't re-sign with their for-

catcher Brian Harper, New York Yankees reliever Lee Smith and Texas pitcher Charlie Leibrandt. · Four players agreed to contracts Tuesday, including three who re-signed before the deadline.

Pitcher Mark Gubicza and Kansas City agreed at \$550,000, a cut from \$1.25 million; Oakland and pitcher Edwin Nunez agreed at \$430,000, a raise of \$180,000, and Houston and outfielder Kevin Bass agreed at \$400,000, a cut of \$100,000. Outfielder Stan Javier and Oakland agreed to a \$1.2 mil-

#### **CALVIN AND HOBBES**

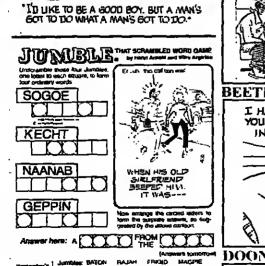
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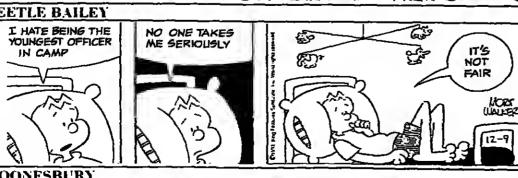
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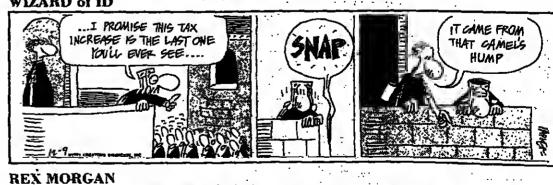
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# Sampras and Stich Win in Grand Slam

MUNICH - Pete Sampras, who ed \$100,000. hadn't played much for two weeks,

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should have been rusty. Michael Stich, who has played a lot, should have been tired. But both posted quick victories Wednesday in the sharing the prize money.

Stich began the defense of his title with a 65-minute, 6-3, 6-1 victory over MaliVai Washington. Stich made a smooth adjustment from the slow clay surface in Düsseldorf, where he led Germany in its Davis Cup victory over Australia, to the fast carpet in Munich's Olympic Hall.

Sampras rolled past Thomas Muster, 6-3, 6-1, in only 60 minutes to join Stich in the quarterfinals. They are in different halves of the draw and could meet in the final. Michael Chang fought back from a 4-1 deficit in the last set to outlast eighth-seeded Wally Masur,

In the day's final match, Brett Steven upset fourth-seeded Cedric Pioline, 6-4, 7-6 (9-7). Steven, a New Zealander who made it into the tournament only as a substitute for the injured Richard Krajicek. earned almost as much from this match as he had pocketed all year. In Thursday's quarterfinals, Stich meets Steven and Stefan Ed-

berg plays Wayne Ferreira. The S6 million Grand Slam Cup, best records for the year's four Grand Slam tournaments are invited, is the richest in the world.

to which the 16 players with the Chang, Stich, Sampras and Steven all picked up \$262,500 for making the quarterfinals.

All the first-round losers collect-

Stich's victory here last year was worth 52 million, but this year's top prize has been reduced to \$1.625 million under a new formula for

However, Sampras also got a boous of \$500,000 this year for his two Grand Slam titles and he could end up earning \$2.125 million if he wins the tournament.

Stich became the ATP world champion in Frankfurt last month. beating Sampras in the final, and picked up \$1.24 million. His effort in the Davis Cup was worth close to

Chang announced that he was unlikely to play the Australian Open to January, although he would defend his title in Jakarta the week before.

A devout Christian, he said he was going to celebrate Christmas "a little bit longer" with relatives. Jim Courier was selected

Wednesday to a U.S. Davis Cup team most notable for the absence such stars as Sampras, Chang and Andre Agassi. Courier was the only top U.S.

player named to the team that will play lodia in New Delhi on March 25-27 in a first-round match. The other singles player on the squad announced by its captain, Tom Gullickson, was Davis Cup new-comer Todd Martin, a Wimbledon quarterfinalist, ranked 13th in the world this year.

Playing doubles will be Patrick McEnroe and Richey Reneberg.



Dennis Bergkamp, the scourge of English soccer, drove a shot by Norwich City goalie Bryan Guan in the 88th minute to put Internazionale in the UEFA Cup quarterfinals. Bergkamp's goals for the Netherlands played a large part in ousting England from the World Cup finals.

# Galatasaray Ties Again; Bremen, Barcelona Win

Aitor Begniristain scored two first-half goals Wednesday night to give Barcelona a 2-0 victory over visiting Monaco in a Group A match of European soccer's Champions' League tournament.

Beguiristain scored in the 16th

minute when he broke clear just across midfield, pulled Monaco-goalkeeper Jean-Luc Ettori out of position and shot into an empty net from 10 meters. Beguiristain made it 2-0 in the

27th minute, taking advantage of an error by the Monaco defense. Coming up with a loose ball in the area, he scored on an acutely angled shot from eight meters. Dutch defender Ronald Koeman had a chance to make it 3-0 in the 89th minute, but his penalty shot

was stopped by Ettori. The Spanish team played with-out its leading scorer, the Brazilian Romario. He was held out with a

minor leg injury.

Barcelona, which played a score-less draw with Galatasaray in its opening match, dominated the conest played before a crowd of 80,000 in Camp Nou stadium. Monaco, which had few scoring chances; had won its first match by

4-1 against Spartak Moscow.
Galatzsaray O. Spartak Moscow

6: Three players were sent off in
Moscow as the Turkish team held Spartak to a draw in a physical Group A match.

artak, which had defender Ramiz Mamedov dismissed in the first half and its captain, Viktor Onopko, sent off early in the second, saw its chances of a semifinal berth virtually ended.

It was Galatasaray's third successive 0-0 draw in the tourna-

The giantkillers from Istanbul who had knocked out Manchester United in the previous round, had a two-man advantage for almost 20 ninutes until German defender Reinhardt Stumpf was sent off for his second bookable offense.

Dutch referee John Blankenstein sent Onopko off in the 56th minute when Spartak's captain kicked the ball after the whistle was blown. Onopko, who had already been booked in the first half, said he did not hear the whistle.

Werder Bremen 5; Anderlecht 3: New Zealand striker Wynton Rufer scored twice as the German team, playing at home, rallied from an 0-3 deficit at the break in a Group B match.

Bremen, down 0-3 against FC Porto with only five minutes left in its opening match, had rallied but

pouring rain Wednesday night: with Phillipe Albert blasting home: a shot after 16 minutes. Goalkeeper. Oliver Reck was beaten again, by Danny Boffin, two minutes later. Albert's second goal, in the 33d minute, a superb 30-meter lob. seemed to have wrapped up the

But Rufer scored in the 66th minute, then sweeper Rune Brat-seth closed the gap further by head-ing home a ball in the 72d minute. In the final 10 minutes, Bremen took control, with Bernd Hobsch heading in the equalizer, Marco Bode then scoring and Rufer mak-

ing sure with seconds to go.
Foor time titlist AC Milan. which overpowered FC Porto by 3-0 last week, leads the group with three points. Bremen and Porto have two points and Anderlecht is

(AP, Reuters, AFP)

# Faulk Opts As Junior for

By Samantha Stevenson New York Times Service

SAN DIEGO — Running back Marshall Faulk, the preseasoo Heisman Trophy favorite who struggled through a disappointing season with San Diego State, has announced that he will apply for the National Foothall League draft, forsaking his senior season.

"It was a long thought process," the 20-year-old Faulk said Tuesday. "Me, my mom, and my high school coach were talking about it all through the year that regardless of what kind of year I had, what would I do?"

Faulk met with the Aztecs' oew coach, Ted Tollner, on Monday to discuss his future. Tollner, formerly the Los Angeles Rams' quarter-backs coach, replaced Al Luginbill, who was dismissed last week.

"With the coaching changes and the year that I had," said Faulk. "! felt it was time for a change. I finally came to a decision three or four days ago. With Coach Lugin-bill and the rest of the coaching staff leaving, well, they were my friends and I felt I didn't want to come back."

Although Faulk lost his status as the leading Heisman Trophy candi-date early in the Aztecs' 6-6 season. many NFL scouts consider him to be among the top running backs.

"Everyone is interested," said Charley Armey, the director of college scouting for the New England Patriots. "He's the fastest running back we've seen in a long time. He has the speed of O.J. Simpson, but not the power. He's big enough and strong enough to be successful."

In three years, Faulk became San Diego State's leading career rusher with 4,589 yards. His 62 touchdowns are the second-best total in National Collegiate Athletic Association history, behind Indiana's Anthony Thompson's 65.

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2.1

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Faulk became the first freshman to lead the nation in rushing and scoring. This year, he gained 1,530 yards, ran for 21 touchdowns and

caught 3 touchdown passes.

In addition to Faulk, Jimmy Klingler, the University of Houston's quarterback the last two seasons, said in Houston that he would also give up his senior year to enter the draft. Klingler succeeded his brother. David, now a starter for the Cincinnati Bengals, as quarter-

back at Houston. Some other juniors expected to follow Faulk and Klingler inm the draft are running back Tyrone Wheatley from Michigan, and three quarterbacks: Trent Dilfer of Fresno State, Steve McNair of Alcorn State and Heath Shuler of

# Coming Soon to United States: Soccer, the Religion

simply must learn, as concerned citizens of the planer, as cognoscenti, as decent blokes and as international

For starters, let's separate the grass roots from the licensed spectacle. Soccer is a wonderful game, in many social, medical, economic and environmental ways superior to the games that now grip our lives. Youngsters have found in soccer an accessible, joyous, inexpensive team sport safer than football, more forgiving than baseball, less dependent on size than baskethall.

liberation. More and more adult men and women are playing at ages when only softball had been

23 |Starks, Davis Mosen 41, Los Angales 20 |Von Exel, Threat! 5).

IVon Exet, Thream 5).
Deriver 15 22 23 26—90
Goldge State 26 22 24 17—95
O: Mutembo 5-8-4-614, R.Williams 5-9 5-816.
B.Williams 5-7 4-14. G: Alexander 7-16-1-415.
Spreamett 8-15 6-8 23, Rebounder 7-16-1-415.
Internation 123, Golden State 54 IAlexander 7-111, Assista—Deriver 22 (R.Williams 7), Golden State 38 (Owens, Johnson, Jennings 6).

**Major College Scores** 

Conisius 90, Buckneti 72
Colgate 85, Brown 65
Cornell 98, Clarison 58
Catnell 98, Clarison 58
Princeton 70, Rutpers 54
Providence 64, Villanova 65
St. Peter's 75, Hovard U. 63
Toward St. 71, Lahish 69
SOUTH
Ala. Biraningham 64, Mississipal St.
Auburn 92, Ball 58, 2
Georgia 115, Bethurn-Coatnen 58
Gransiling 59, 62, Toxas-San Anton
Jack 50n 57, 64, Louisland 76ch 51
Murray St. 89, Consolelisville 71
South Carolina 91, Georgia Souther

Autrov St. \$9, Consobellsville 71
South Coroline 91, Georgie Souther
Vo. Commonwealth 84, Buttote 58
ALCOMEST
DePout 81, Brodiev 64
Indiano 101, Notre Danie 82
Iowa 81, N. Iowa 74
Iowa St. \$2, Orake 47
Komes St. \$2, Orake 47
Komes St. \$3, Long Island U. 40

iland 27, idaha St. 49 Mem Cai 75, San Olego St. 54

St. Mary's, Cal. 75. Son Jose St. &. Washington St. 70. Idoho 51

Weber St. 67, Uson St. 66

Cook AAU 99, Indiana 51, 94

TUESDAY'S RESULTS

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D. Thomas 6-15 0-0 (7: Dumars 10-23-3-2 2.
C - Creed 13-16-7-19 27: Hardway 6-13 7-4 20.
Rebounds—Detroit 49 (Potvnics 14), Orlando 45 (Crited) 101, Assists—Detroit 20 (Thomas 10) Orlando 25 (Skiles 6).
Partimol 21 (Skiles 6).
Partimol 22 (Skiles 6).
Partimol 24 38 27 26—169
P: Creeder 9-20 4-5 22, Strickland 7-13 5-5 19.
C: Atilis 8-13 4-6 22. J.Williams 9-13 3-3 21.
Rebounds—Portison 43 18, Williams 9-13 3-3 21.
Cleveland 43 (Dougherty 12). Assists—Partimol 26 (Dougherty 12). Assists—Partimol 26 (Porter 9). Cleveland 33 (Price 12).
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Chicago 32 37 31 35-115
LA CLIPPERS: Monning 21-31 1-3 43, Dehere 5-11 5-6 17, C; Pippen 19-18 3-6 24, Armstrang 6-15 2-8 20, Rebounds—Los Angeles 44

strong 8-15 7-8 20, Rebrends—Los Angeles 44 (Vought 12), Chicoso 52 (Blourt 91, Assista— Los Angeles 32 (Jockson 91, Chicoso 37 (19)-pen, Armylrons 6).

23 24 24 24 24—186 Dollass 22 20 17 93—187

M. Roce 17-24 3-2 29. Selfolly 7-14 4-8 20. D: Mashburn 5-17 9-10 19, Harber 14-22 9-1 33. Rebounds—Miland 53 | Selfolly 12), Dallas 42 | Jones 171, Assists—Miland 19 | Singer 61, Dal-

23 R 133-72
LA Loiters 39 22 24-78
N.Y.; Ewing 11-227-029, Storiks 5-163-315, LA
LAKE RS. Bowle 7-15-6-22, Worthy 5-103-31 Ta
Rebeggeds—New York 71 | Ewing 191, Los Angeles 46 (E.Comport 121, Agaists—New York

JUS 14 1JONES 41.

reasons it was awarded to this undeveloped soccer regional, so there should be plenty of ink and air to country, was to leave a legacy for the sport's next promote another cartoon adolescent. generation, to huild a foundation of youth programs. Maradona is a kicker of fortune, or

There is time yet. The teams have oot yet taken up their American posts. One expects they will become inspirations in their communities, offering clinics, school visits and inexpensive exhibition games.

IRST, HOWEVER, we need to get past the open-I ing extravaganza, and hope it is not the handle on this cup. On Dec. 19, Caesars Palace of Las Vegas, the

months to the first-round games at nine American locations. The championship will be held a month after that, on July 17, in Pasadena, California.

man's season will be over and Wild Thing will still be

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"Boowista Porto 2, OFI Crote 0
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"Cogifiori 2, Mechalem 0
"Internazionale 1, Norwich 8
Tenerite 2, "Juvenius 1
"Borussio Dorimund 1, Brandby 0
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ENGLISH PREMIER LEAGU2
Aston Villa 2, Sheffield Wednesday 2
Oldham 2, Bwindon 1
Sheffield United 6, Manchester United 3
Chetsen vs. Wimbledort, pad

TRANSACTIONS

BASEBALL

American Leasue
BOSTON—Agreed to 2-user contract with
Otls Nixon, outflittier.
KANSAS—Agreed to 1-veer contract with
Mork Gubiczo, Pilcher.

Maradona is a kicker of fortune, oow playing for There is oo sense yet that substantial money and Argentina. He is called "glamorous" because he has energy have been spent oo this mandate by the good hair and is fun to watch. Now, if Maradona dates Madonna , . .?

Another mandate of World Cup '94 is the formation of an American-based professional soccer league. It's considered critical to high school and college programs to have a pro outlet. Again, there has been little publicized progress; it seems unlikely that a pro league will be functioning in the near future.

Meanwhile, basketball, which is mini-soccer for the vertically gifted, is becoming the global game, one of America's most successful exports.

Just when we're being told to get in step with the rest of the world, the rest of the world is responding to the NBA's marketing genius of brand names, cultural imperialism and touring pros. Maybe if the NBA took over the selling of soccer to America . . .?

World Cup '94 is a circus that could be fun but is & Jerry's Rainforest Crunch to save the world.

#### SIDELINES

Azinger Has Cancer, but Treatable

INGLEWOOD, California (AP) — PGA champion Paul Azinger has been diagnosed with lymphoma, a form of cancer that is expected to keep the 33-year-old Azinger sidelined for six to seven months while he undergoes chemotherapy and radiation treatment.

The lymphoma is located in a small portion of his right shoulder blade.

The overall core rate for lymphoma is about 50 percent, but some forms are more treatable than others and Azinger's doctors said the cure rate for his particular cancer is about 90 percent.

#### Intrum Holds Off Tokio Challenge

FREMANTLE, Australia (AP) - Intrum Justitia held off a strong challenge Wednesday from Tokio, then rebuilt a commanding second-stage lead as the leading yachts in the Whitbread Round the World Race neared Australia's west coast.

Iourum Justitia, the Whitbread 60-class entry skippered by Englishman Lawrie Smith, was expected to arrive in Fremantle on Thursday after-noon. Tokio, a Japanese-New Zealand entry skippered by Chris Dickson, made up 36 nantical miles to close to 19 nantical miles of the lead, before

Intrum Justitia pulled away again.

The Japanese-New Zealand entry Yamaha lay third. Merit Cup of Switzerland was fourth, having overtaken New Zealand Endeavor to lead the maxi yacht class.

#### For the Record

The first Test match between West Indies and Sri Lanka was rained out in Moratuwa, Sri Lanka; it was to now begin Thursday. (AFP)

Katrin Krabbe, suspended two years by the IAAF for drug use, has
approved arbitration and the case will be heard shortly, Keba Mbaye, a
member of the IOC executive commission and president of TAS, the
sport arbitration service, said Wednesday. (AFP)

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By Robert Lipsyte New York Times Service vising. New York Times Service

As W YORK — One of my jobs around here 30 postecars ago was taking London bureau chauffeurs ence chall games and recording their inane queries about t begun yet? Why does that chap just stand eration without making invidious comparisons to ing ext lo e me a pragmatic, philistine world view; if you said Linkle your nose at my potatoes, I won't spit in commice. But it Mountilly prepare really like coming Point ceed in accer.

world be a terrible
the Ulf I don't get swept away by the World Cup?
oot be enough to regard the World Cup as an ing cultural diversion visiting the United like an exhibition of modern French painting linese dance troupe. No, you may not hafta and NAFTA, but the World Cup is supposedly those defining events. Be there or be square. t on the hus? we go again. The sporting equivalents of I vegetarians, wine-tasters, cineastes, dog snobs, telling us that soccer is a world language we One of the mandates of World Cup '94, one of the OREBOARD LA SERVICE LA ERSKETBALE **NBA Standings** Standings EASTERN CONFERENCE Allentic Division EASTERN CONFERENCE te Division
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husiness dealers - what if a colleague from another country asks us what "nutmeg" means and we don't know it is a neat kick between an opponent's legs?

Deal breaker! Let's reflect oo this before the T-shirts and the Cup cups arrive. Do we Americans have to care because most of the rest of the world cares? Is there space in our crowded spectator-sports schedule for more games? Is there room in our hearts for more heroes? What's in this World Cup for us?

For girls, particularly, soccer has been an athletic

licensed promoters.

sports gamhling capital of the United States, will

present the drawing for team pairings. A 90-minute television show, to be hosted by Dick Clark (could I make this up?) will be broadcast worldwide.

With Global Bandstand behind us, it will be six months to the first could a course to the six months.

That should give us time to learn to love or hate Diego Maradona, World Cup '94's designated testosteroney. By June, Joe Montana will be long gone from the playing fields of that other football, Dennis Rod-number terrorists. Unless you're the type who eats Ben

U.S. Majors Added To Europe Ryder SOCCER Cup Qualifying

Third Roand, Second Leg Departing Le Corung 8, "Eintricht Frankfurt 1 "Karlsruhe SC 3, Girandins Bordeoux 0 "Boowliste Parta 2, QF1 Crote 0 The Associated Press VIRGINIA WATER, England

The three major golf tournaments held in the United States will count toward places for Europe's next Ryder Cup team, the Europe-an PGA said Wednesday. It also reduced the oumber of

wild-card selections for the 12-man squad from three to two. European golfers' winnings at the U.S. Masters, the U.S. Open and the U.S. PGA Championship

will be added to earnings from the European PGA Tour to obtain the 10 automatic spots for the 1995 The fourth major, the British Open, is already a European PGA Tour event.

"The committee unanimously

ing players now competing in the three major championships on American soil, the time was right to include all of them as qualifying events," said Ken Schofield, execu-

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#### ART BUCHWALD

Farewell, Snow White WASHINGTON — We are bere to say good-bye to Pablo Escobar Gaviria, otherwise known soldiers in his jeep, he once told me, to those who loved him as "El Snow

White." distributing joy and cheer wherever he went. Just after his 44th birthday he was gunned down by vicious.

cruel Colombian troops who were jealous of his looks and power. El Snow White was a good man

and because of that he had his detractors. Many people said that he was a murderer, an assassin, an arsonist, a smuggler and the person responsible for blowing up a Colombian air-

line with 107 Buchwald people on board. But this is only half the story. He aiways took care of the little guvs - the money launderers and the couriers and the people on the street who distributed his products.

El Snow White was a soft touch for any story. He handed out fistfuls of money to politicians. crooked narcotics agents and even members of the Colombian Coast Guard. He never expect to he re-

His kindness didn't stop at monetary donations. He helped judges and prosecutors supplement their

#### Workers Demonstrate At La Scala Opening

The Associated Press MILAN - Laid-off metalworkers waved red flags and set off firecrackers outside La Scala as a fashionable audience arrived for the opening of the opera season.

The demonstrators, mostly workers from the Alfa Romeo auto factory, were surrounded by riot policemen and kept from the celebrities, politicians and a group Nobel Prize winners who attended the performance of Ga-sparo Spontiui's "La Vestale." There were shouts of "shame" and "buffoons" from about 200 dem-

Europe

"My reward is to make people sing. That's why we are here on Earth." He lived a short but fruitful life He then took aim and bagged a

"Is shooting federal soldiers your favorite sport?" I asked him.

"It's one of them. People say that it's unfair to shoot nares from a jeep, but I say you get them any way you can."

El Snow White, whom we mourn today, came from peasant stock but lived like a king with yachts, pri-vate planes and homes all over the country. Rumor has it that for a long time he even kept a furnished room at the Presidential Palace. He had style. Even when he was arrested, he designed his own jail and paid to have it built. No one in South America could equal El Snow White's architectural know-

I asked him on another occasion when he was strangling ducks to smuggle his product into the United States. "Surely, even though you are be-

loved by many, there must he people in your husiness who would like to get rid of you?"

He smiled. "I have no enemies. The reason for this is that I am the founder of this business and all of my competitors still respect me for leading the way, I go to their houses and they come to mine. If they get any ideas I'll strangle them like this

"Let's suppose that someone does take a potshot at you and gets by your bulletproof vest? How would you like to be remembered?"

"As a man who went to the edge; a person who was never late paying his relephone hill; a leader of the free world who could huy any politician up for sale, I want to be remembered as a dog lover, a col-lector of Louis XIV chairs and a friend of the CIA. Most of all I hope that when the name El Snow White is mentioned, everyone will say, 'He may have killed a lot of people - but nobody's perfect."

"How would you want to he bur-"I would love to be cremated and my ashes sold in little cellophane bags on Eighth Avenue street corners for \$30 each."

# Spalding Gray: Imitating Life and Art

By Bruce Weber

New York Times Service
NEW YORK — Near the end of
"Gray's Anatomy," Spalding Gray's
latest monologue, Gray describes an incident in which he was saved from drowning by three men who dragged him out of the water and then instantly propped him up so they could have their picture taken with

During the rescue, the men had recognized him from the poster for a previous monologue, "Swimming to Cambodia," which pictured half of Gray's face bobbing up from underwater.

On stage at the Vivian Beaumont Theater at Lincoln Center, where he is performing "Gray's Anatomy," Gray pauses at this point in the tale and throws the audience a comic, helpless look, as if to say: "This is all just too weird." What he does say is: "Art imitates life; life imitates art!"

There probably isn't anyone more fascinated by the Möbius strip image of art and life chasing each other around in a circle than Spalding Gray. For the last decade and a half, he has been telling his personal stories on stage, stories he has carved out of his life, a life he has specifically designed to create stories. Three years ago, for instance, Gray's left eye suffered a retinal disfigurement called a macula pucker, and in "Gray's Anatomy," he tells of his travels — to an Indian sweat ceremony in Minnesota, to a "nntritional ophthalmologist" in New Jersey, to a psychic bealer in the Philippines - in search of an

alternative to surgery.
"I would not have done those things if I was not trying to make a redeemable story around the eye issue," he conceded over lunch, speaking in his natural, soft sputter in the rear booth at Jerry's, a long dining room in SoHo near his loft.

There was a scared rabbit aspect to him; he was solicitous of the waitress and seemed a little wary of answering questions, though he does it all the time and he aims to please. He warmed to himself quickly.

"As the critics say, When the doctor says you need an eye operation, anyone else would walk around the block and come back and get it," he said. "Not Spalding Gray. And it's true. I procrastinate, and I go home and I think about everything. I am the anotheosis of Hamlet."

Gray has always given off an odd sense of pride in his neuroses, but in fact he looks as though they might he getting the better of him these days. At 52, he has entered the time slot between 50 and 53, what he refers to in his monologue as "the Bermuda triangle of health," when if you get through it, you're fine and will probably live long. But it was also the age at which Gray's mother took her own life, an event that has appeared, either in relief or



Spaiding Gray in a scene from his latest monologue, "Gray's Anatomy."

in shadow, in much of Gray's work. Gaunt and wan, wearing a white T-shirt and baggy pants bunched noticeably at the waist by a belt, he said he had gained 18 pounds recently and weighed 170 (77 kilograms), but that seemed dubious. He ate a spare lunch — grilled fish and greens — though nothing so spartan as the raw vege-

table diet the New Jersey ophthalmologist put him on, presumably to help his vision.
"I had a physical because I was nervous," Gray said about his weight loss, "and the doctor said, 'I don't know what to put down here, because you're fine. If you want to collect insurance, I'll have to

put down something. So he put down cathexia." A beat. "Wasting away." Gray said he was recovering from a urinary infection that drove his temperature up to 105 degrees (40.5 degrees centigrade) and caused such a sluggish performance the night several critics showed up

that the show ran 12 minutes longer than usual. His eyesight, after the surgery he tried to avoid, is better than it was but not all that good: On occasion, he needs a

magnifying glass to read the newspaper.
Probably more to the point, though, is that he has just come through several months of frantic travel, both for a handful of movie roles and in pursuit of the kind of eccentric experience that often

ends up enlightening his work.

And he has spent much of this time without Renee Shafransky, his companion of 14 years, whom he married two years ago. Their wedding serves as a symbolic and rather uplifting conclusion to "Gray's Anatomy," which Shafransky directed, but the marriage has foundered, and even as they continue to work together, the two are now living apart.

"We're going through a tense time," Gray said. "I won't say it has to do with

the marriage exclusively, though that was the trigger for us. I'm too difficult to live with right now, and Rence wants her independence as a director. She's upset that no one will recognize her as anything other

than my director." "We're getting along," he added, rather gloomity. "When we see each other we are

getting along

This is the kind of moment in the life of Spalding Gray that often proves most artistically fruitful. His monologues take the form of corrent moments dredging up reflections on the past, and he said they often combust out of a catalytic despair. Asked how he knows when a monologue is on the horizon, he cited "Terrors of Pleasure" (1986), which was about renovating a house, and "Monster in a Box" (1990), about writing a novel. Both began with the sense of being overwhelmed and the need to redeem the misery of the experience, he said. And he agreed that, as a result, he's always on the lookout for a personal misery severe chough to generate a resonant tale.
"Yes, there's something in that," he

said. "We're all going to experience mis-ery, eventually." That's the bottom line. ng an amateur Buddhist, I'll go with that one, that life is suffering. But whether or not a story will start to come together in a pattern, whether it'll have dimensions that are historic, whether it'll go backward in time, that's a tricky business. Because by now I've used up a lot of my past."
His instinct for the right catalyst is pretty good by now, he said, and once he's got one, he works "by association, in the Freadian sense: a) what does this bring up in my past? and h) what can I do now to

supply more material?" Gray is an inveterate journal writer, and the first phase a monologue goes through, he said, is a gathering of his journal notes into an outline. Then he'll get up in front of an andience, tell the outlined story and

tape-record it.
So what I have is a linear memory, he said. "That's not too dramatic. Then Renee will come in and point out, 'Well, you've told the story, but you've got to build more drama into it, and here's how

you should begin to structure it." There follows another round of informal public performances that functions to shape the thing the way a workshop would

a play. This second phase, Gray said, "is all about restructuring memory." This is also a tricky business. Gray is fond of saying he never makes anything up, but that doesn't exactly mean his stories are entirely true to life. Gray habitually courts odd occurrences, of course, but it's also true that he's a bit of a wacko magnet. "In chaos theory, there's something

called a strange attracter," he said. "I seem.

#### **PEOPLE**

Japan's Prime Minister On Best-Dressed List

Prime Minister Moribiro Hosokawa has been voted one of Ja-pan's best-dressed men. The prime minister is among five winners of the annual award given by Japan Men's Fashion Unity, a fashion industry group. "Hosokawa carries himself well internationally, and dressing well is a part of the new image-building," said Ippei Shiom, the group's executive director.

Dozens of celebratics are expected to attend the U.S. premiere Thursday of Andrew Lloyd Webber's latest musical, "Sunset Boulevard," at the Shubert Theater in Los Angeles, among them Billy Wilder, writer/director of the movie on which the show is based, former President Ronald Reagan and wife, Nancy, and a passel of actors, including Glenn Close, who plays the show's lead character.

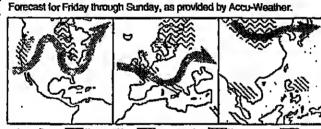
An unauthorized biography of Oprah Winfrey claims she improp-erly won the Miss Black Nashville pageant in 1972. "Oprah! Up Close and Down Home," written by Nel-lie Bly, said Winfrey should bave been named fourth runner-up but was declared the winner because of a mistake in tallying the votes. Gordon El Greco Brown, the pageant director, has acknowledged that "an error was made."

Roger Dahrey says he wants to celebrate his 50th hirthday next year by doing one of the things he loves most: singing Pete Town-shend's music. The celebration will take place at New York's Carnegie Hall on Feb. 23-24, when three of the four original members of The Who — Daltrey, Townshend and John Entwistle — are scheduled to. play for Daluey's tribute to Town-

Scores of fans flocked to the Paris grave of Jim Morrison on Wednesday to mark what would have been the 50th hirthday of the singer-songwriter who founded the '60s rock group The Doors. Morrison died on July 3, 1971, at 27.

INTERNATIONAL CLASSIFIED

#### WEATHER



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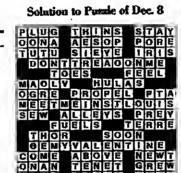
The remnants of Typhoon Lois will bring heavy raiss to southeastern Asia over the weekend. Typhoon Menny is expected to remain nearly stationary off the east coast of Luzon. Much colder northern portions of the Brash isks late in the week-

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#### 22 Hints at the pool ACROSS 23 ---- fixe 1 Paint laver 25 Ta-ta in Turin 5 Best of old films 27 Hollywood's Barbara or 9 Plays at Pebble

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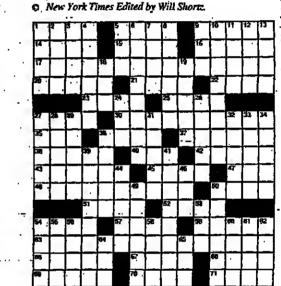
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# A WEEK IN THE LIFE OF THE TRIB

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Wednesday

**STAGE** 

**ENTERTAINMENT** 

Thursday **MONDAY SPORTS** 

HEALTH/SCIENCE

**LEISURE** Saturday-Sunday ART/

THE MONEY REPORT

Friday

POLITICS AND ECONOMICS

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